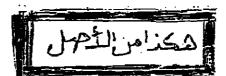
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NEWS SUMMARY

Pakistan agrees to recover; hijack

Pakistan agreed to free 55 • EQUITIES recovered after whose release was by hijackers of a Pakistani. airliner now in

The agreement was made to 481.0, the day's best. Page 38 only minutes before the hijackers' deadline on their threat to kill three Americans strong tone, with the Governfrom more than 100 hostages. Pakistan said the prisoners would be freed only if the hostages were released immediately and no further demands were made.

Dissident held

Polish dissident leader Adam Michnik was held by the authorities in Warsaw for three hours and threatened with arrest. Strike threat, Page 2

S. Africa list

The United Nations committee against apartheid is to publish a list naming 185 world sports stars-including 39 Britonswho have maintained links with South Africa.

General charged

General Alfonso Armada was indicted by a military prose-cutor for his alleged part in the abortive Spanish coup on February 23. Page 3

Revenue action

selective industrial action at two key Inland Revenue computer centres. Back Page

Tax victory Barrister Ann Mallalleu, 35, won her High Court case for tax relief for the sober clothes required for court. Page 8

Police stabbed

Police Sergeant-Michael Hawcroft, 31, died after he was ted to cut their primes soon. stabbed eight times while tackling two youths in Brad- BANK OF ENGLAND modidetained one youth.

Royal holiday

Prince Charles' wedding day on July 29 will be a public holiday. The Prince today rides Good Prospect (7-2) at Sandown. Racing, Page 15

Bus kills two

Two women pedestrians were killed when a bus mounted the pavement in Colchester after the driver had a heart attack. Eight people were injured.

'Copter crashes Four died when a helicopter on a training flight crashed and exploded on farmland near Peter-

head, north-east Scotland. **More floods**

Heavy rain brought more floeding in the Midlands and East Anglia. Roads were closed, and some homes evacuated. Weather, Back Page; E. Germany floods, Page 2

Man released

Briton Derak Rains, 37, arrived in Manchester after being freed from jail in Saudi Arabia, where he served 16 months of a three-year sentence for infring-

ing alcohol laws.

Benefit of clergy Anglican , clergymen will enjoy theaper cars, reduced rail fares when attending meetings, and cut-price hotel bills, under a purchasing scheme launched by

the Church's central finance

Iranian policemen were dead outside Tehran's Soviet Embassy. Max passed

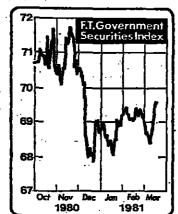
Australia, without serious damage. Lord Barnetson, United Newspapers chairman, died aged 63.

BUSINESS

Equities gilts demands add 0.17

Wednesday's sharp post-Budget falls, with leaders in demand after an earlier technical rally. The FT 30-share index rose 11.0

 GILTS maintained their ment Securities Index up 0.17 at 69.66. Page 38



• STERLING rose 15 points to close at \$2.2195 in London. It was unchanged against the D-Mark at DM 4.6925, but eased to FFr 11.06 from FFr 11.0725. Its trade-weighted index was 99.1 (99.2), Page 29

© DOLLAR closed at DM 2.1130 against DM 2.1150, SwFr 1.9375 (SwFr 1.9400) and Y207.50 (Y207.60). Its trade-weighted index was 100.0 (100.1), Page 29 Civil service unions are to take

● GOLD rose \$3 to \$476.5 in London. Page 29

● WALL STREET was up 11.53 at 979.20 near the class. Page 30

CREMICAL BANK of New York cut its prime rate from 18 per cent to 171 per cent. Other large banks did not follow immediately, but are expec-

ford. An Inspector with him fied its proposals for controlling the volume of liquidity banks must hold to cover their deposits. Back Page and Lex; Green Paper details; Page 14

> • EEC STEEL industry rescue talks scheduled for March 20 are being jeopardised by the refusal of independent steelmakers to take part. Back Page; Italy revises rescue plan;

• TAIWAN Prime Minister Sun Yun-Suan said his country had had preliminary contacts with the EEC over Taiwan's offer of further tariff cuts for European

 PORTUGAL'S 1981 Budget includes a freeze on civil ser-

vice hiring, and heavy domestic and foreign borrowing. Page 3

 BRITISH GAS said its moves to help industry on gas prices had cost it more than £270m.

■ HOECHST, West German chemicals group, reported pretax profits for the parent com-pany of DM 905m (£192m) last year against DM 907m, but plans an unchanged dividend.

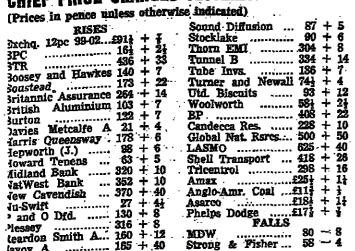
 NISSAN, the Japanese motor group considering producing cars in the UK, told union officials it would want a single bargaining unit in the proposed

nlant. Page 9 • TOZER KEMSLEY and Millbourn (Holdings), the inter-national finance and investment group, is holding talks with SMEDLEY-HP which are expected to lead to amalgamation of the two group's fruit and vegetable canning interest.

Back Page • UNITED BISCUITS (HOLD-INGS) reported pre-tax profits up from £43.7m to £47.8m for 1980. Page 22

• BTR, rubber manufacturer, reported pre-tax profits up from £57.2m to £70.3m for the year to end December. Page 25

CHIEF PRICE CHANGES YESTERDAY



Savoy directors reject £58.4m bid by Forte as 'totally unacceptable'

BY REG VALIGHAN

SIR CHARLES FORTE, head of Connaught and the Berkeley the Trusthouse Forte hotels and came the latest in a long line of bidders wanting to acquire Paris, Simpsons-in-the control of the Savoy Hotel, and the Savoy Theatre. London, one of the grandest hotel names in the industry.

Trusthouse, which already operates 810 hotels worldwide including the Grosvenor House and Hyde Park Hotel in London and the George V and Plaza Athenee in Paris is launching a bid worth £58.4m for the Savoy

three of London's most famous luxury hotels. Its other interests include Hotel Lancaster in Simpsons-in-the-Strand

Savoy, headed by Sir Hugh Wontner, were swift to reject the approach yesterday describing the offer as " wholly unacceptable." totally

of its shares or £165 cash for seas investors funded by

But the directors of the per cent respectively. On the London Stock Exchange yesterday Savoy share prices rose to the bid level with the "A" rising 40p and the "B" 200p.

For the low voting "A" The Kuwait Investment Office, shares Trusthouse is offering 84 one of the City's largest over-

every 100; while the offer for the "B" capital (with four times as many votes) is 5 of its 34.1 per cent holding of 45 per cent of the votes the Trusthouse shares or 975p cash the "A" shares and 7.3 per cent company has always felt able for each "B" share. The cash of the "B" shares. This holding offer represents a premium on represents some 21 per cent Wednesday night's closing of the Savoy group woting prices of 32 per cent and 25.8 capital. Funds under the investment

management of S. G. Warburg, advisers to Trusthouse hold 15.4 per cent of the "A" shares and 14 per cent of the "B." These funds are to consider the bid when the formal offer is

With the directors and asso- of the shares to the Kuwait ciates of Savoy holding up to Investment Office. to resist unwelcome approaches. Savoy hard. Profits, before tax, But the main aim of the in 1979 had fallen sharply Trusthouse is to build up its from £1.09m to £438,000 but in holding in the "A" capital, the first half of 1980 the group which represents 51.4 per cent reported losses of £837,000

which subsequently sold it to compar. Rothschild Investment Trust. £13.6m. RIT last month sold the bulk

The decline in the number of overseas visitors has hit which are not expected to have THI's holding of around 25 half. Trading receipts in the per cent of the "A" shares was acquired by Grand Metropolitan 5.6 per cent higher than the comparable 1979 period at

News Analysis, Page 24

Tories press Mrs. Thatcher over decision-making

Central

BY RICHARD EVANS, LOBBY EDITOR

MRS. THATCHER is coming could affect the Government's Mr. Francis Pym, Sir Ian Budget gathered pace, with up under considerable pressure future and the Conservative Gilmour, Mr. Peter Walker and to 20 Government MPs refusing from Ministers to broaden the Party's success at the next Lord Soames, is that there to support the 20p increase in decision-making process on major economic issues, following the bitter divisions within the Cabinet and the Conservative Party caused by the Budget

There is said to be a majority in the Cabinet in favour of wideranging discussions two or three times a year which would set the broad guidelines for the Budget and other economic

The demand, backed by all the so-called Cabinet "Wets." and a number of key Ministers not normally associated with them, gives an indication of the shock and anger felt by many Ministers at the Budget pro-posals, and the way the decisions were reached. The Cabinet as a whole heard

of the Chancellor's intentions at a special meeting on Tuesday morning, only hours before Sir

They believe that they should have been consulted at a much Ministers who include Lord earlier stage on a judgment that Carrington, Mr. James Prior,

Finance Corporation for Indus-

try have rallied round Stone-

engineering group, to provide a complete financial reconstruc-

Temporary bank facilities

hastily arranged last year are to be replaced by a new £40m

FCI and the major institutional shareholders are to inject £10m

Without the reconstruction

the company's position would

have been desperate, Mr. Leslie Pincott, the chairman appointed

ast year, said yesterday. It was

The company revealed that

medium-term package.

of ney equity capital.

still risky.

General Election, and they have should be a Cabinet meeting

Office is to cut its staff by a tenth and make other drastic economies to stay within its Thorneycroft, the Lord party chairman, told staff at a meeting at the office in Smith

Square, Westminster, yester-day that as well as making 40 of the 400 employees redundant, the party would make less use of the advertising agency Saatchi and Saatchi. The remaining staff at the Central Office would get no pay increase this year.

CONSERVATIVE

Geoffrey Howe's statement to the mean a complete reversal of normal convention.

Platt Industries, the loss-making profitability before late 1982.

ECI,

The proposal of a group of

be made. The group was not

expecting to return to full

future of the company is

Lancashire textile engineering division of Platt Saco Lowell

(PSL), back to profitability."
PSL in the UK is expected

before interest. Even on projected sales of £40m this year

have lost £6.2m last year

'small trading loss" will con-

Nevertheless, Mr. Pincott in-

sisted, "this is not a lame duck.
It has soluble problems. The

new package is a proper com-

premised on bringing the

Furthermore.

mercial deal."

trading losses of £5.7m for 1980 Last April the Bank of may translate into a £15m England chaired a meeting at

The Tory HQ has been hit by increased costs and decreased revenue. Donations from local parties and from industrial and commercial

companies are expected to be well down in real terms as the recession is felt. Lord Thorneycroft said that without the redundancies 1981-82 operating expenditure would have been £690,000 over the £3.7m budget. Staff pay is two-thirds of Central Office costs.

Parliament, Page 10

made their views known to Mrs. Thatcher. Her reaction is not yet known, but the change proposed would

THE BANKS, City institutions, pects for the current year were a short-term banking package. The 13 original banks were

borrowings.

City rallies to assist Stone-Platt

the entire

in January to discuss the economic situation in general and ensure that all senior Ministers know of the basis on which Budget decisions would be taken.

The open dissension within Cabinet was revealed as the Politics Today, Page 21;
Tory Party revolt over the Protest over fuel crisis, Page 7;

discovered to be in breach of

covenants on some of its

This interim arrangement,

which has now been replaced.

covered £55m of bank facilities

and itself contained "onerous conditions." The losses now

expected for last year would

have triggered off new breaches

advisers, approached both Equity Capital for Industry, an

emergency investment vehicle

set up by City institutions in

1976 to help industry in trouble, and the four largest of

the 13 banks, headed by

Midland Bank. Together they

conducted detailed studies of

the company and the textile in-

dustry and decided the com-

Hill Samuel, the company's

Sir Geoffrey made no attempt

to head off the rebellion when he met a group of Scottish Tory
MPs protesting about the
increase in petrol and diesel fuel duty announced in the Budget.

According to the 12 MPs who saw the Chancellor at the Com-mons, Sir Geoffrey gave no indication that he would ready to reduce or abandon the

The indications are that the rebels will vote with Opposition parties, or abstain, on Monday night at the end of the four-day Commons Budget debate, when there will be divisions on a number of Budget resolutions.

There is very little prospect that the 20p increase will be overturned. The intention of the rebels, who come mainly from rural constituencies where the impact of the rise will be Continued on Back Page

four which has provided over-

draft facilities of £15m, a five-year loan of £20m and a

five-year standby facility of a

executive of ECI, said yester-day: "At that point the com-

pany's banking arrangements were seen to be sufficient to

support an injection of new

Continued on Back Page

Company News, Page 22 Feature, Page 20

Mr. Jim Findlay, then chief

further £5m.

The licences form an important part of the seventh round of concessions which is expected

cost of about £1bn. The successful licence con-

which were awarded licences.

There were some notable

The 41 blocks or part blocks

The awards formed the round allocations. In December, the Government awarded 42 blocks which had been selected by companies themselves. The industry paid £210m for these selfpremiums selected blocks.

on the basis of their technical expertise, financial standing, commitment to the British tax profits actually rose, fro economy and willingness to £4.363bn in 1979 to £4.861bn fulfill a minimum drilling pro-

The Government has still to

37 new oil licences

BY RAY DAFTER AND MARTIN DICKSON

which will give a major boost to UK exploration activity.

to encourage the drilling of 150-200 new exploration wells at a

of UK independent companies, many of them venturing into the North Sea for the first time. Fishermen, food and dairy interests and an hotel chain feature in the list of 119 companies — 72 of them British —

international absentees from the awards, in particular two companies with considerable North Sea experience —Total and Elf. But major U.S. companies, among them Exxon, Chevron, Gulf, Mobil and Texaco again made a successful bid for exploration acreage.

(covered by the 37 licences), are in some of the most attractive exploration areas on the UK Continental Shelf, including the Moray Firth, the English Channel and the sea North of the Shetlands.

which are very popular and profits yesterday.

which tremendous potential."

BP's net profits fell by

THE GOVERNMENT yesterday allocate up to 18 further awarded 37 offshore oil licences seventh round concessions. Vetting these blocks may take some

months. The main operating com-

Government awards

panies to emerge yesterday were Conoco, Shell, Gulf, were Conoco, British National Oil Corporation, Murphy Petroleum and Sovereign Oil and Gas. Among the UK independent companies sortia include a large number featured were Tricentrol, Burmah and Premier Consolidated Oilfields.

New entrants to offshore exploration include a group of fishing interests — Fishermen's Petroleum Company — Unigate, Norwich Union (Hydrocarbons), and a Texas-based company-Pogo British Isles.

Alan Friedman writes: Yesterday's North Sea allocations brought smiles to many in the City, especially those who had conceived and packaged new exploration vehicles for the seventh round. One of the big success stories was Saxon Oil, a creation of merchant banker Singer and Friedlander and stockbroker Hoare Govett. Saxon, which has £15m in committed funds, was awarded stakes in five blocks yesterday. It had already gained an interest in one company-

nominated block. • Sue Cameron writes: The Mr. Hamish Gray, Minister of UK's two major oil companies State for Energy, said: "The blocks are principally in areas blocks are principally in areas

11.4 per cent from £1.6bn in second stage of the seventh 1979 to £1.4bn last year. Profits came mainly from the group's duction but volume sales of chemicals and gas lower in 1980 than in the previous year. The group's total Yesterday's awards were in tax bill rose sharply from areas designated by the Governated to £2.3bn in 1979 to £2.9bn last ment. Companies were chosen year, as BP is well ahead in North Sea development and so is losing some tax relief. Pre-

> Lex, Back Page; Company News, Page 22; Energy Review, Page 6

transfer from reserves. Pros- which Stone-Platt renegotiated pany was viable. Reduction in mortgage rate likely

BUILDING SOCIETIES are the Government in the next today expected to announce a reduction of about 1 percentage point in the present 14 per cent recommended mortgage rate. Building society executives met in London yesterday to con-

sider their second reduction in interest rates this year. There will be a midday announcement after a meeting of the Council of the Building

Societies Association. Hopes that the reduction would be nearer 2 percentage points in line with this week's cut in Minimum Lending Rate, were dashed by the Chancellor's decision to reduce from 60 to 50 the age limit for index-linked National Insurance bonds. The societies are becoming

increasingly alarmed about the

impact on their own receipts of

growing competition for deposits

from National Savings, which

are expected to raise £3bn for

Last month, building society net receipts fell to around £360m against £446m in the previous month. The societies have blamed National Savings for the fall. The societies also a fight to maintain dominance in the mortgage lending market.

If mortgage rate is cut today by one percentage point, it will mean that the societies have cut the cost of home loans to per cent from the record 15 per cent rate introduced in November, 1979. During the same period, MLR has been reduced from 17 per cent to

The expected reduction in the

mortgage rate is likely to be accompanied by a fall of about

} per cent in the net investors'

rate, bringing it down to 81 per

Cheaper home loans will apply from today for new borrowers and from the start of April for people with existing mortgages. About half of all building society borrowers now pay more than the basic recommended rate for their loans.

For the average borrower, who has a £14,000 loan over 25 years, a one percentage point reduction will cut gross monthly repayments by a little more than £10, although lower tax relief on interest will leave a net saving of just over £7.

f in New York					
. ~	Mar, 11	Previous			
Spot 1 month 3 months 12 months	0,10-0,17 pm, 1,20-1,30 pm.	\$2,2130-2150 0.50-0,58 pm. 2,00-2,10 pm. 6,40-6,70 pm.			

Politics today: the Treasury strikes back 21 Energy review: seventh round of North Sea oil licences 6 Management: a blooming family busi-	Lombard: A. H. Hermann on stream- lining the law courts
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فتتنتش زرو

A KEY meeting which could and other so-called theatre decision was taken earlier this been mounting, with European presage the resumption of nuclear weapons.
negotiations to limit the deployment of nuclear weapons in both to the resumption of Europe will take place between 14 NATO allies at the end of

Bowing to pressure from its main European partners, the Reagan Administration has to convene NATO's special consultative group on March 31. The group, com-posed of high officials of all posed of high officials of all Germany, face powerful anti-NATO governments, will aim to nuclear lobbies, are greatly prepare for Ministers a joint encouraged by the U.S. decision prepare for Ministers a joint deployment of Cruise missiles the consultative group. The

Floods hit

E. Germany

output in

By Leslie Colitt in Berlin

WIDESPREAD flooding in

southern parts of East Germany and adjacent Franconia.

in West Germany has inun-

dated thousands of homes,

shops and factories and cur-

tailed production in the Suhl and Erfurt districts of East

Heavy rain in East Ger-

be delaying the planting of

spring grain. Winter grain

acreage was reduced last

autumn because of extreme

werness and must now be

In the East German district

of Suhl, the overflowing

Werra River inundated thous-

ands of acres of farmland and

left towns under nearly three

Adjoining West German communities have warned citizens against the danger of

East German landmines from

the border area being washed

westward and exploding. East

German and Soviet troops are

said to be supplying isolated towns and villages in Thurin-

Stretches of the Elbe River

in East Germany and Czecho-

slovakia are closed to ship-

ping. The river is expected

to flood its banks in the

note there has been severe

frost in the European part of the Soviet Union after un-

seasonably mild weather that

virtually eliminated snow

East German Press reports

gia with essential goods.

Magdeburg area.

feet of water.

made up with spring grain.

Czechoslovakia and parts of Poland is reported to

Germany.

theatre nuclear force negotia-tions, as well as to the equally critical but stalled SALT talks on strategic weapons between the United States and the Soviet

European governments, particularly those which, like the Netherlands, Belgium and West allied position on the European to convene an early meeting of

BY JOHN WYLES IN BRUSSELS

heading for failure.

average price increases.

The costs to the consumer

and the Community budget could be considerable, but all

Farm Ministers, including

ready to bow to demands to

raise farm incomes now that it

is clear there is sufficient room

BY RUPERT CORNWELL IN ROME

steel industry which it hopes

will survive feuding at home

and satisfy the European Com-mission and its EEC partners.

The scheme is likely to go before a Cabinet meeting in a

fortnight Meanwhile, talks with

increasingly militant unions and EEC representatives will, it is

week following talks in Washington between Mr. Alexander Haig, U.S. Secretary of State, and Herr Haus Dietrich Genscher, West German Foreign Minister, but the date has so far remained secret.

There has been growing alarm in European capitals at the Administration's Reagan apparently cavalier attitude to arms centrol, which, since January, has taken very much second place to tough talk of rearmament.

British bid to curb EEC farm

Walker appears reconciled to a

Sir Geoffrey Howe, the British

Chancellor of the Exchequer,

had been boping to persuade his

EEC countemparts to endorse a

common declaration at their

would urge caution on the

remind them of the need to

THE Italian Government has cash injection into the sector on March 20 unless there is

produced an amended plan for stays at around L6,000bn concrete aid for Italsider by then, and the company will

It differs from an earlier pro-

posal in that steel aid will be

contained in a package also

providing assistance for the car,

electronics and chemicals industries. These provisions will

come under existing legislation

to help restructure troubled

hoped, smooth over difficulties:

Count Etienne Davignon, the L1,000tin to the private sector.

According to Sig Gianni de EEC Industry Commissioner, is But Italy's European partners

industries.

and

agricultural colleagues

Italy revises steel rescue plan

price rises heads for failure

THE UK's attempt to line up price rises. EEC Finance Ministers in The British Government may

favour of "prudent" rises in be one of the few member Community farm prices appears States divided on the issue. Mr.

As a result, it seems that price package larger than the when they begin negotiating a price package next week, EEC the Foreign Office and the Farm Ministers will have virtual carte blanche to raise the European Commission's for a so far underfined the European Commission's "prudent" price policy.

Sir Geoffrey Howe, the British

Britain's Mr. Peter Walker, are meeting on Monday which

beneath the EEC's budget ceil- keep extra budget spending to

governments pointing out to sion of Washington that the joint of 1979. NATO decision to 1979 to deploy U.S.-owned and operated Cruise missles in five NATO countries was only one half of a package. The other was a U.S. commitment to negotiate the

limitation of such weapons with

Preliminary talks on theatre nuclear forces between the then Carter Administration and the USSR were held in Geneva last October, just before the U.S. Pressure on Washington to election. The SALT II treaty restart arms control talks has has kein unsatisfied by the U.S.

However, a meeting here yes

terday of member States' per-

manent representatives showed

for such a declaration and only

A fresh attempt will be made

but any agreed statement is likely to fal well short of UK

In the meantime, the Commis-

sion's proposals, ungenerous in

the view of most governments,

may cost far more than esti-

mated. An internal British

Government document suggests

the total EEC budget cost in a

full year could easily be double

the £234m claimed by the Com-

again have problems paying its

A third obstacle is the resis-

tance of the Italian banks, who

oppose committing any more of

their resources to shoring up

wage bill this month

the_industry.

o help restructure troubled The plans call for L5,000bn dustries.

However, doubts remain concerns, and the remaining

draft a declaration today,

Congress since the Soviet invasion of Afghanistan at the end

The decision to convene the special consultative group has clearly raised hopes in Euro-Pean capitals that substantural negotiations can begin by the summer. The meeting precedes a series of planned talks between NATO Defence and Foreign Ministers over the next few weeks beginning with the nuclear planning group on April 6 at which, it is hoped, a common NATO position can be mmered out.

European arms, Page 4

Thorn urges welcome for Spain

By Roger Boyes in Bonn

EUROPEAN COMMUNITY leaders should use the Maasthere was little solid support tricht summit meeting later this month to stress their continued willingness to admit Spain to the EEC, despite last West German backed the UK month's abortive coup attempt. That view was expressed yesterday by M. Gaston Thorn, president of the European Commission, after talks in Bonn with German Chancellor

Helmut Schmidt. Spain has insisted that its planned membership of the community is a vital pillar to its democratic structure. M. Thorn stressed that negotiations should, as scheduled, be completed by the end of next year and Spain should enter the

community in 1984. However some EEC members, notably France, have urged that there should not be a definitive agreement on Spanish agriculture until the Ten have settled the future of the common agriculture policy.

declaration at Maastricht may, it is thought, reassure the Spanish by sticking to the original timetable for Spanish accession. But at the same time. a generally phrased declaration could paper over French doubts.

On the much more heated question of the fishing dispute between Britain and France, M. Thern said the two countries were actually closer in their positions and suggested that in future European leaders should agree that some matters could Michelfs, the Minister respon-sible for Italsider, the company tory talks. The metal workers too, to help reduce excess pro- basis rather than on the basis in the worst straits, the total are threatening a one-day strike duction. of unanimity.

Further job cuts at top French companies

By Terry Dodsworth in Paris FRANCE'S deteriorating unemployment situation, which is already becoming one of the main issues of the presidential election campaign, was underlined yesterday with the announcement of about 4,500 redundancies by two of the country's leading

The groups, Renault Vehicles Industriels, the nationalised truck makers, and Boussac-Saint-Freres, France's largest textile pro-ducer, have both cut their workforces considerably over the past two years. They are now being pushed into further action by a combination of depressed markets and the need to rationalise in the face of increased foreign com-

petition.
Boussac's move, involving about 1,000 workers, will be particularly embarrassing to the Government, as it follows the recent establishment of two parliamentary commis sions to study prospects for the textiles industry. Parliament has become concerned about this sector because of the scale of redundancies— some 27,000 jobs were lost in 1980 and another 5,000 have been announced this year.

RVI's cuts will affect 3,600

of its 29,400 workforce. But the truck company is hiring another 900 young workers to be trained in the advanced production techniques which it is intending to introduce Robert Mauthner reports: The French Government is expected to announce shortly a list of food products for which prices will be freed. But the prices in several important sectors, mainly energy products and fares. will remain controlled by the time the Presidential election comes round at the end

President Giscard d'Estaing's publicly expressed wish that the liberation of prices, initiated in the summer of 1978 by M. Raymond Barre, his Prime Minister, should be completed before the Presidential poll, will thus not be fulfilled.

of next month.

The President has described the freeing of prices, which has affected not only manufactured products but services too, as "the biggest decision to have changed the course of the French economy."

Students rampage in southern Yugoslav city

rioted yesterday in the southern last year. Yugoslavian city of Pristina in

the University of Pristina A policeman was injured by firing from among the demonstrators and a dozen others were hurt

Police intervened with eargas yesterday morning and calm appears to have returned to the

Pristing is the capital of the autonomous province of Kosovo. which borders Albania, and the bulk, of the demonstrating not demonstrations were . nationalistic or irredentist in

SOME 2,000 university students the town before Tito's death Instead, the students were the first major eruption of dis-content since the death of against the high cost of living President Tito last May. and what they regarded as

According to reports reacheron economic privileges enjoyed by ing Belgrade, the riots began the bureaucracy and Governon Wednesday at the campus of ment officials. Indiation in Yugo slavia is now running at over 45 per cent and last year saw a drop in real earnings of 8-9 per Ambony Robinson

Yugoslav party and trade union leaders have warned in recent months that the sharp drop in living standards imposed last year could not be long maintained without provoking social tension. Kosevo, as the poorest of Yugoslavia's six republics students were believed to be and two autonomous provinces. Yugoslavs of Albanian origin. was always a potential flashHowever, it appears that the point. First reports indicate that the student protests were mainly economic in origin but inspiration arrests of Albanian nationalist and political ten-nationalists were reported in sions he just below the surface.

Workers renew threat of strike in Poland

BY CHRISTOPHER BOBINSKI IN WARSAW

A TWO-HOUR warning strike proceedings against four memstoppage has been called by the the KOR dissident group. regional branch of Solidarity, the independent union.

The most important demand s for the removal of local officials held responsible for beating workers arrested in 1976 after demonstrations against food price rises. The union also wants a new police building in Radom handed over to the health service.

Mr. Lech Walesa, Solidarity's leader, discussed the Radom issue with Prime Minister Wojciech Jaruzelski on Tuesday night. Evidently the concession won at the meeting has not satisfied Radom branch leaders and their strike decision repre-sents another blow to Mr. Walesa's prestige. This may well make the authorities less willing to compromise.

The union in Radom siso

demands the suspension of legal

will be held next week in the bers of a political group, the Radom region of Poland, south Confederation of Independent of Warsaw, if a Government Poland, and wants charges commission fails to arrive to dropped against Mr. Jacek discuss workers' demands. The Kuron, a well-known member of

Meanwhile, the rank and file movement for more democracy in the Polish Communist party is gaining momentum. The local headquarters at Szczcin and Crakow, both important political and economic centres, have ordered their party organisation to hold elections for delegates to the forthcoming party

This move openly challenges conservatives in the party leadership, who are working to delay the congress in the hope that the ferment in the party will die away. The last party central committee plenum failed to fix a date for the congress.

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Can Signate Can Signate Can Signate Can Signate

Spanish general charged over coup attempt

GEN. ALFONSO ARMADA, rebellion. His lawyer has conwho has been closely associated with the Spanish Royal House-bold for more than 25 years.

On the night of the attempted under martial law by Gen. Guardia and other arms of the Miless del Rosch during the military are being detained but hold for more than 25 years, coup, Gen. Armada went to was indicted by a military parley with Col. Antonio Tejero, prosecutor yesterday for his the Guardia Civil Officer who abortive had seized Farliament with 260 coup on February 23. He has members of this para-military already been removed from the police force. The General, who Joint Chiefs of Staff and is in 1954 was appointed as the outside Madrid.

arrest in connection with the salvation. Gen. Armada, aged coup attempt. On March 8, Gen. 61, was the man tipped to head Jaime Milans del Bosch, former such a junta. commander of the Third Military Region that covers Valen-

under arrest at a barracks future King's military instrucoutside Madrid.

He is the second to be him to endorse a military charged of four generals under backed government of national

Also under arrest are Generals Pizarro and Torres

abortive coup. Gen. Torres Roias, who once led the crack Brunete armoured division quartered outside Madrid, has been Military Governor of La Coruna for the past year. On the day of the coup he was in the headquar-ters of the Brunete division, a unit essential for the occupation of strategic installations in the capital.

So far, 222 of 266 ordinary Guardia Civil and non-commissioned officers detained in con-

Valencia region which was put middle ranking officers in the under martial law by Gen. Guardia and other arms of the Milans del Bosch during the military are being detained but have not been charged. Only one civilian, Sr. Garcia Carres, Francoist union.

Yesterday, El Alcazar, the newspaper widely regarded as speaking for the dissident military, published its first article by a senior officer since the coup. Gen. Cabeza Calahorra urged

the need "to stand upright in the face of adversity and retain the identity of the Military as institution: to know how to cia, was indicated for alleged Rojas. The former was head of nection with the action have shoulder its responsibilities and

to defend, against the politicians, the fundamental principles of the military which can never be negotiated."

The article ended with a the one French general who refused to go along with the generals revolt against Gen. de Gaulle in Algiers. He is reported to have said in court evidence that the crime of the rebel generals was perhaps less did not side with them and let them be tried. This appears to reflect feeling of a large segment of the Spanish military in the wake of the coup.



General Alfonso Armada

MADRID CONFERENCE ON SECURITY AND CO-OPERATION IN EUROPE

East and West play elaborate game of cat and mouse by robert graham in madrid. By Robert Graham in madrid. The current deficit is the constant in payments, the 1981 budget is still heavily in the capital deficit for the current deficit is the capital deficit for the current deficit for the current deficit is the capital deficit for the current deficit for the

THE HTRE agreement for the Madrid Congress Hall, where the Conference on Security and Co-operation in Europe is being held, runs out at the end of the month. But the lease has conditional dauses-which permit conference to take precedence over the World Football Cup over the World Football Cup sense of mistrust between Organisation, due to use it next delegates from East and West, year. No one seriously suggests exacerbated by the interthis meeting will go on that national tension since Russia long. But it has already overrun by a week an informal date

set for its end. After more than 12 weeks of

Bank of India

announce that on and

after 13th March, 1981

Base rate . . . 12%

Deposit rate (basic) 9%

(Decreased from 11½%)

Bank of India

(Decreased from 14%)

the following annual rates

Christmas break, the delegates from the 35 European states plus Canada and the U.S. are just beginning to draft a final

There are two main reasons extensions. One even allows the for the conference's slow progress. First is the all-pervading invaded Afghanistan. This has made dialogue extremely difficult. if not impossible. Second uncertainties about

working sessions, and a month's President Ronald Reagan's new and hard-line Administration have undoubtedly made the Soviet delegation very wary, Indeed, the only real sense of movement came after Soviet President Leonid Brezhnev's speech to the Soviet Com-munist Party Congress on February 23. This was the first Soviet response to the Reagan Administration and it referred, albeit ambiguously, to the European Security and Co-operation

> The U.S. delegation, though still wary, believes Mr. Brezhnev's speech was helpful in clearing the air. The Soviet Union now seems willing to endorse more quertly the conendorse, more overtly, the con-ference process as laid down in the 1975 Helsinki Act as a

> framework for improving security and co-operation in Europe.
> When the Madrid follow-up meeting began last November, the Soviet delegation refused to make any firm commitment to another follow-up meeting.

Western delegates regarded such a refusal as significant. At a time of strained east-west relations, a positive, though minimal, result of the Madrid meeting would be agreement on another follow-up meeting.

The Russians further appear to have softened somewhat their insistence on a direct link between continuing the con-ference process and agreement on a European disarmament

The Soviet Union has been backing a Polish proposal agreed among Warsaw Pact military detente and disarmament in Europe in Warsaw next October. The Russians see this as part of a broadening of the natural scope of the Helsinki

Final Act. However, Western delegates attempt to make the conference almost exclusively concerned with security, to the detriment co-operation and co-operation in such humanitarian areas as human rights and the free flow

Since the meeting resumed in January, the disarmament conference proposal has been a major topic. Western delegates have frequently stressed that for the conference process to sur-

President Leonid Brezhnev appeared to make concessions to the West in his speech on February 23 the Soviet Communist Party Congress in Moscow. Since then, a sense of movement has become apparent in Madrid. The Soviet delegation now appears to believe it is up to the West to respond to their offers if it wants further meetings of the Conference on Security and Co-operation in

vive in an acceptable form, there indicated he was willing to must be a proper balance make some concessions to between the various aspects of achieve a disarmament conferco-operation, of which security is only one part.

involve mathematical symmetry but quantifiable results." The Russians, it seems, have been Alliance. slightly encouraged by the The Fr interest in human rights.

ence. Realising that the Warsaw s only one part.

Pact proposal has no chance of
It does, however, seem that support either from the the West has become slightly Atlantic Alliance or the neutral less inflexible. A U.S. delegate and non-aligned countries, he commented: "Balance does not has made a step towards a rival proposal put forward by France and backed by the Atlantic

slightly encouraged by the The French proposed a distinct the conference on security and Reagan Administration's lesser armament conference in two co-operation, and the disarmastages. The first would be to ment conference in particular. More important, Mr. Brezhnev agree on a series of "confidence There is little optimism.

Carlton Tawers

building measures" such as proper information on military manoeuvres. These must extend to the Urals and be verifiable, binding and militarily meaning-ful. Only when agreement is reached on these preliminary aspects does the West feel it worth while to proceed with a disarmament conference.

The Russians, having at first rejected outright the whole series of pre-conditions, have intimated since Mr. Brezhnev's speech that they are willing to consider extension to the Urals, and have made some vague assurances.

In the past 10 days, an elaborate game of cat-andmouse has developed. The Soviets believe it is the West's turn to react to Mr. Brezhnev's concession and offers. The West for its part, believes nothing can be done until Russia states more clearly what it wants from the conference on security and

The

Heavy borrowing programme outlined in Lisbon budget

BY DIANA SMITH IN LISBON

PUBLIC AUSTERITY, including a freeze on civil service hiring, distribution of the tax burden and heavy domestic and foreign borrowing are the key-notes of the 1981 Portuguese budget to be debated by Par-liament at the end of this

Thanks to huge deficits run up in 1974-79 by free-spending past administrations and to capital deficit Es 78.7bn (£62m).

In real terms, however, this year's combined deficit shows a nominal rise of 9.7 per cent compared with 1980, a decrease in real terms after 1980 inflation of 16.6 per cent. The deficit represents 9.8 per cent of GDP. compared with 10. 9per cent in

The state will take Es 91.6bn (£72m) in domestic loans to cover the accumulated deficit, while turning to the foreign market for \$500m, some \$150m more than last year.

Bonds move

On the other hand, having seen a highly successful launch ing of bonds for the national development bank, Sr. Francisco Balsemao's administration is proposing to launch Es 50.6bn proposing to launch Es 50.6bn grammes connected with acces-(£400m) in new Treasury bonds sion to the European Comwith the dual purpose of coverig part of the public debt and mopping up potentially inflationary funds in the hands of the public. hTis is the first time on European Investment Bank a Portuguese Government has credits.

resorted to a major bond issue to cover part of its debt.

The Government has also brought civil servants into the tax net. They have never had to pay income tax in the past but will do so from 1982. The measure will not only increase state revenue but will have a positive psychological effect on a disgruntled public which ragards the bureaucracy as a wasteful burden on the economy.

Tax review

The private citizen, meanwhile, will receive some tax concessions and also some further impositions. Lower incomes will benefit from an increase in thetax free allowance and there will be a gentler intermediate rate. The administration wants to review the tax system to align it rapidly with EEC standards, but the income tax range of 4 per cent to 70 per cent will prevail for the

Total tax revenue this year is expected to be Es 239.2bn (£1.89bn), an increase of Es 45.5bn (£361m) over 1980. While granting more generous allowances for children, the Government has offset this with a 25 per cent increase in tobacco tax, a three-point rise to 18 per cent in capital gains tax on term deposits, heavy increases in stamp duties and compulsory early income tax payments by the self-employed.

Meanwhile, projects and promunity will be exempt from customs duty on EEC products imported for these activities, and from tax on interest paid

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How to apply for de-registration.

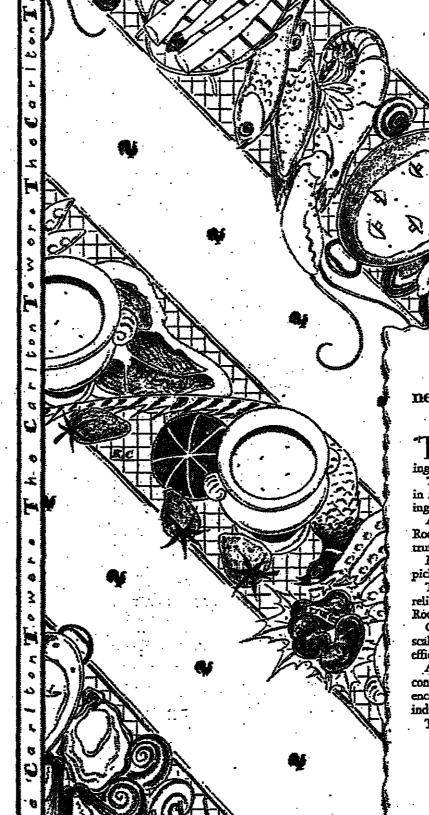
If your estimated turnover (including VAT) will be £14,000 or less in the year beginning 1 June 1981 you may apply now for de-registration from 1 June 1981. If at any time you have been registered for 2 years and your turnover (including VAT) has not exceeded £15,000 in each of those 2 years, and is unlikely to exceed that level in the year then beginning you may apply for de-registration after 1 June 1981.

Further information.

VAT Budget Notice No. 1/81 gives full details and explains how to apply to cancel

your registration. Call or write to your nearest VAT office for a copy of this notice and any other help you

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Tokyo interest rates may fall in new package

designed to boost stagnant domestic demand.

Indicators released by the Economic Planning Agency (EPA) yesterday reveal that economic growth in the last quarter of 1980 slowed considerably. Real GNP expanded only 0.6 per cent in October-December compared with 1.5 per cent in the

previous quarter. The Government is aiming to bolster economic activity by at the same low 0.3 per cent stepping up public works expenditures in the first half of the next fiscal year, starting April 1. Government economists are next fiscal year, starting April 1. Private housing construction ary pressures within the econ-will be given a boost, and omy which have pushed prices financial aid to small and well beyond the official targets

announced next week, will most as in the first two months, in-likely coincide with a reduction flation for the year ending this in the official discount rate by the Bank of Japan. The rate, now 7.25 per cent, is reportedly was 6.4 per cent.

Domestic demand contributed only one third of the growth during the last quarter.

The main reason for the slow-because of inflation.

JAPANESE interest rates seem down, however, was the exterset to fall next week as part nal sector, which had led growth of a Government package through the last half of 1980. This was mostly due to a 2.8

per cent increase in the value of imports in the latest quarter. Imports in July to September dropped while demand for oil was low. Exports continued a modest upturn in the last quarter, rising 3.6 per cent compared with 2 per cent in the third quarter.

than 50 per cent of GNP) grew

rate as in the prior quarter.

Government economists are medium sized business will be for consumer inflation. If in-increased. flation continues in March at These steps, expected to be 6.3 per cent on a yearly basis month would register 7.7 per

now 7.25 per cent, is reportedly to go down 0.75 per cent, with other loan and deposit rates to follow.

was 0.2 per cent.

Officials are now rather anxiously watching the levels at which the annual spring wage negotations settle. Last year, a

Doubts over Indian industrial forecasts

BY K. K. SHARMA IN NEW DELHI

INDIAN INDUSTRIAL produc- year. There is no evidence yet tion figures for 1980, published of any rally.
yesterday, suggest that the The bleak performance of the growth of the economy will be slower than anticipated by the to a shortage of power and Government. The index for and transport bottlenecks. industrial production shows a nominal rise of 0.6 per cent over

This is bound to drag down the estimates of gross national product (GNP), forecast last month in the annual economy survey to rise by 6.5 per cent index stands at 150.4. in 1980-81. GNP fell by 4.5 per cent in the last financial year. Last month's estimates for tural production which in-1980-81 were based on the creased significantly because of expectation that industrial pro-a bountiful monsoon last year. duction would rise 4 per cent. However, drought in some parts This is almost certain to prove too optimistic unless there is winter harvest and force a an unexpected spurt in produc-downward revision of agriculan unexpected spurt in produc-

industrial sector is due mainly to a shortage of power and coal, Production in India has been virtually stagnant for the past

three years. The industrial production index was 147.8 in 1978 and it rose to just 149.5 in 1979. For 1980, after a nominal rise the

Growth in GNP will now have to depend mainly on agriculof the country could affect the tion in the first quarter this tural production.

Gulf security pact talks

LEADERS OF the six conserva- states of the region, including tive Arab regimes will meet in Iraq and Iran, were not dis-Abu Dhabi on May 26 to 27 cussed at the meeting, according to inaugurate the Gulf Council to Sheikh Mohammed bin for Co-operation which is Mubarak al Khalifa, Bahrain's expected to provide the frame- Foreign Minister. work for a mutual security pact. decided by Foreign Ministers devoted to the formation of the of Saudi Arabia, Kuwait, Bah-Council for Co-operation and its rain, Qatar, the United Arab terms of reference,

Proposals for participation by Western countries in the U.S. would tend to increase rather apid deployment force that than reduce tensions in the

have been rejected by most region.

On his return home he said

The date for the summit was that the gathering had been

earlier this week. They drew up and approved the basic statutes of the organisation.

Proposals for participation

Tran ceasefire 'impossible'

tions for discussion before halting the conflict, according to five-month war. Mr. Habib Chattin, secretarygeneral of the Islamic Confer- outright, demanding simultaneence organisation.

disclose the conditions, but said Iran and Iraq wished them to be sovereignty over the Shatt althe conflict.

BAHRAIN—A ceasefire in At the beginning of this the Gulf war is not possible because both sides had set conditions for discussion before haltwith proposals for ending the

Iran rejected the proposals ous ceasefire and troop with-drawal. Iraq said it would not The official Saudi press drawal Iraq said it would not agency, said Mr. Chatti did not withdraw from Iranian territory until Iran recognised Iraqi



Botha faces growing opposition from Right

MR. P. W. BOTHA, the South African Prime Minister, is fighting a bitter rearguard action in his own general election against a sharp Right-wing swing in the ali-white South African elec-

While there is no chance that the massive majority enjoyed by Mr. Botha's ruling National Party could be seriously eroded, political analysts are convinced that he will face a more conserva-tive Parliament after next menth's pell, which could seriously endanger cautious racial reforms.

A series of results in key nomination contests for National Party candidates in the Transvaal Province were announced yesterday — showing one victory for a verligte (enlightened) supporter of the Prime Minister, and the rest going to mainline party conservatives.

At the same time, three Right-wing splinter parties which have broken away from the National Party because of its alleged reformist trend have announced a record 107 candidates so far for the 165 Parliamentary seats, and are confident of winning at least a handful.

Any serious defection by voters to the right could seriously embarrass Mr. Botha in his own deeply conservative party. Any victories by either the Herstigte Nasionale Party (HNP), or the National Conservative Party (NCP), led by Dr. Connie Mulder, the former Minister of Information, would he the first losses to the Right by the ruling party since it won power in 1948.

Ironically, Dr. Andries Treurnicht, leader of the National Party in the Trans-vaal and Mr. Botha's only serious verkrampte (reactionary) rival in the party, is one of those MPs most threatened. His Watersberg constituency in the northern Transvaal, a symbol in party folklore because it is the longest-held nationalist seat in the country, s under serious threat from Mr. Jaap Marais, the leader of the HNP.

Dr. Mulder himself is widely expected to win back his old seat, Randfontein, outside Johannesburg. A highly articulate exponent of arch-conservative policies—includ-ing the thesis that all blacks in South Africa should live in the tribal komelands and be brought to work in the white cities by high-speed trains-he is campaigning with all his former vigour on the crest of the conservative wave.

Although no other NCP candidates are expected to win, the HNP is a serious challenger in several seats, including the mining con-stituencies of Carletonville and Rustenburg, west of

Johannesburg.
No opinion polls have yet been published, but the campaign so far has been dominated by the divisions on the Right, rather than by any of the more liberal policies of the official Opposition, the Progressive Federal Party.

A streamlined code for the road to ruin

THE LATEST dollop of Government aid may have pulled Chrysler back from the brink of bankruptcy, however temporarily. But plenty of other companies—and individuals for that matter—have been less lucky.

lucky.

Both personal and business bankruptcies (including well-publicised names like Itel, Seaprinting and White Motor) have soared in the past 12 months, posing a severe test for the U.S.'s new bankruptry code.

tions of the past two years have much to do with it, but some people blame the increase on the code itself, particularly in personal bankruptcy cases.

The code came into effect in

1979 and was designed to replace a rag bag of laws dating

back to the 19th century. Its main purposes were to make it easier for debtors and creditors in business bank-ruptcies to sort out their problems without the interference of a judge or a trustee. In personal bankruptcies, it sought to meet objections from consumer groups that the law was unfair to the debtor. On the

evidence so far, it seems to have done better on the first score

It has certainly made things

than the second

better for the personal bankrupt, but arguably too much. It is now so easy for an individual to file for bankruptcy, and he can exempt so many of his assets from the proceedings — more than \$10,000 in real property and other belongings — that many people appear to have gone bankrupt more as an easy option than as a last resort. (The new code removes a lot of the ITEL 5

Since the new U.S. bankruptcy code was introduced in October 1979, personal and business bankruptcies have soared. They include such well-known names as White Motor, Itel and Seatrain. The new code should be able to deal with most types of bankruptcy, DAVID LASCELLES reports from New York.

stigma by referring only to tary bankruptcy (where the "debtors," not "bankrupts.") company remained in posses-This is worrying for banks, sion), or involved reorganisawhich find it increasingly difficult to recoup their loan losses. Retailers are also expressing dismay with the growing volume of unpaid accounts. Various industry groups are get-ting together to win changes to Federal as well as to state laws which, in some cases, permit even more generous exemptions. The business bankrupicy code, though, seems to be holding up quite well.

Under the old code, there were three routes to bank-ruptcy, known as Chapters X. XI and XII, depending on whether it was an involuntary bankruptcy (in which case a

company remained in posses-sion), or involved reorganisa-tion of real estate. Each chapter had different procedures, and there were frequent squabbles about which chapter a bankrupt should file

for. This was time-consuming and often exploited for tactical

The new code lumps all three into a new chapter, Chapter II, which offers a single but highly flexible procedure which should be able to handle most types of bankruptcy.

The main difference is that, while the old code assigned a prominent role to the trustee and bankruptcy judge, the new one essentially gives debtors trustee was appointed), a volun- and creditors time to work out

BANKRUPT LAW CHANGED OCL 1979 Source: US DISTRICT COURT :

FILINGS FOR BANKRUPTCY

their problems by themselves. The debtor has 120 days to propose a reorganisation plan, and this can be extended if necessary. If he cannot, then the creditors have the right to propose their own plan. A trustee is called in only if creditors can prove fraud; dishonesty or gross mismanagement on the part of the bankrupt.

Experience so far suggests that both debtors and creditors prefer the new code, although for different reasons.

From the debtor's point of view, remaining in possession is obviously a great advantage.

proceedings without a trustee because they are more likely to be able to influezce the outcome, although the absence of a judge means that inexperienced creditors will not be appraised of their rights unless they hire good lawyers.

The 120-day deadline has also speeded the reorganisation process, although some lawyers on the debtors' side are concerned that creditors deliberately delay

that creditors deliberately delay proceedings beyond the deadline so that they can produce their

own plans.

It is no guarantee of speed, of course, White Motor, the long-troubled truck and farm equipment maker which filed last September, has still not got its plan out because of problems drawing up creditor lists and sorting out foreign operations. foreign operations.

At the same time, though Itel, the San Francisco leasing Itel, the San Francisco leasing company which filed in January, told creditors last month that, provided things go smoothly, proceedings should take six months to a year. This may seem optimistic for a company that owes over \$16bn, but its bank-ruptcy lawyers evidently believe

ruptcy lawyers evidently it possible.

Although the banks tend to be the higgest creditors, they are not, as a rule, anxious to precipitate a bankruptcy: frequently they do better to keep a company alive.

This was the case at Itel, which eventually went into yountary bankruptcy, and at

which eventually went into voluntary bankruptcy, and at Seatrain, which was forced into bankruptcy not by its major creditor, Chase Manhattan, but by three small Italian shippers who were owed \$1m, a fraction of its total \$150m debts.

issue threat

to Reagan

Benefits

'Buy more European arms,' Nott advises

BY DAVID BUCHAN IN WASHINGTON

THE U.S. could encourage its agreed that the NATO guide- aircraft for British forces allies in the North Atlantic line calling for 3 per cent real their economies by buying more European weapons for the U.S. services, Mr. John Nott, Britain's Defence Secretary, said esterday after two days of talks with officials here.

Mr. Nott took pains to allay reports from U.S. officials that he had been urged by Mr. Caspar Weinberger, the U.S. Defence Secretary, to consider increasing British defence peaond anned levels. The Minister denied that he

had been lectured about this and said the two Governments

Car workers

to vote on

By Our New York Staff

federation of trade unions,

When the union council last

considered re-affiliation in 1977,

two council members were

opposed and a sounding of opinion at local level suggested

The two officers opposed to

re-affiliation have now retired

and the union leadership feels

there is a strong majority in favour of rejoining the AFL-

CIO at national level, although

local re-affiliation will be left

Mr. Douglas Fraser, president

the vote would be split.

to local decisions.

probably be reconfirmed at this Harrier. attention should also focus on defence capability or output,
Britain spent about the same
Britain would want some British

absolute amount on defence as manufacture of any long pro-France and Germany with larger economies, Mr. Nott said, perhaps hinting that any critibe directed toward the conti- sales to third countries.

Government decision to buy the tion. Now that it has executive

depended on the outcome of Treaty Organisation to spend increases in defence spending talks between British Aeromore on defence if it helped had been useful, that it would space builders of the original space, builders of the original Harrier, and McDonnellyear's NATO meetings, but that Douglas which has been developing the AV-8B in the U.S.

> duction run of AV-8Bs for the U.S. services, a share in future

ahead fast.

This is not the case with the JP233 mine for cratering airstrips, which Britain is pressing the U.S. to buy. Both past and present Administrations have wanted to buy the weapon, but Congress has so far refused

A main purpose of Mr. Nott's visit to Washington seemed to jump jet technology and a por- be to clarify Mrs. Thatcher's cism from Washington should tion of manufacture for export promise to take part in the U.S. rapid deployment force. Any The AV-8B programme was British participation would be Mr. Nott was optimistic about kept alive at the development modest, Mr. Nott stressed, and joint U.S.-British production of level by Congress and the mainly in the form of political an improved Harrier, the Marine Corps against opposition support. No separate deploy-AV-SB, but said any British from the Carter Administrament force from the Americans

programme By Jurek Martin, U.S. Editor, MR. REAGAN'S hopes for speedy Congressional passage of his economic package could be frustrated if the legislature

gets into the thorny question of

adjusting index-linked retire-

ment benefits. The President'st proposals leave largely untouched what he calls the safety net of basic social security programmes. But several Senators, from both parties, have suggested that if Congress reduces Mr. Reagan's spending cuts then additional savines can best be found by

price index which gave less weight to housing and by adjusting benefit payment for inflation once a year rather than every six months.

But Mr. Reagan came to office on a promise not to cut social security payments. Additionally his Administration thought it tactically wise that Congress and the public should be assured that basic social security and medical care were sacrosanct.

The whole debate was given additional point yesterday when a special commission appointed by Congress delivered its final report recommending major surgery to preserve the financial viability of the social security system.

Its proposals include a 21 per cent income tax surcharge (unpalatable in the present climate), gradual raising of the retirement age to 68, tapping general revenues to bolster the social security trust funds and recalculating inflation-linked payments.

Congress obviously will not entertain fully fledged reform of the system this year. But Senator Pete Domenici the New Mexico Republican who is chairman of the Budget Committee has expressed interest in

OFFICIALS of Amtrak, the work The rest of the system is Although Mr. Boyd is no U.S. passenger railway system, a 23,500-mile web radiating doubt exaggerating to indict are telling Congressmen that across the continent, but with a the maximum impact upon the network will virtually disfocus on the country's tradithe network will virtually disfocus on the country's tradiappear at a cost of 23,000 jobs tional rail hub at Chicago. Amtrak is in for further alternative to the consumer rashening. This would he the workers Union have decided to Mr. Reagan has proposed cut- re-shaping. This would be the

AFL-CIO link

if President Reagan's budget proposals are passed. test rank-and-file views about whether the union should re-affiliate with the AFL-GIO,

the country's Washington-based north-east corridor is the 456-A unanimous vote in favour mile highspeed service between of re-affiliation by the union's executive council will be fol-Washington and Boston, Amtrak was created in 1971 lowed between now and May 1 by votes at regional conven-

country's sprawling and bugely unprofitable passenger rail net-

Budget severity worries Amtrak

"The Administration is, in in the next fiscal year, down effect, proposing a system shutdown outside the north-east corridor," Mr. Alan Boyd, Amtrak's president said. The north-east corridor is the 456

get has been designed to pare Amtrak down to a handful of Amtrak was created in 1971 big city corridors, including, for to put some order into the example, the Los Angeles-San Diego line and the Portland-Seattle line.

Reagan officials says the bud-

ting Amtrak's budget to \$613m latest in a series of prunings within a decade. One alternative would be to raise fares, but the highly

competitive airline industry is already shaving fares to the especially on the bone. corridor routes. It is possible to fly from New

York to Washington for \$49 single (\$29 at weekends) com-pared with an Amtrak express

Bolivia hoping for IMF credit

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

with the International Monetary date of January 5 this year.
Fund on terms of a SDR 168m
U.S. opposition to the military Fund on terms of a SDR 168m (\$206m) two-year stand-by credit thta will pave the way for a rescheduling of \$445m in debt due to commercial banks between August last year and April, 1983. likely to The agreement with the IMF Bolivia.

of the UAW, has long favoured re-affiliation in the interests of helping to unify the labour movement at a time when its influence is waning both at national political level and in still has to be ratified by the terms of membership. Fewer than a quarter of non-agricul-tural hourly paid workers belong to trade unions.

problematic than it was last autumn when Bolivia was forced to defer its rescheduling operaantumn when Bolivia was forced the I to defer its rescheduling opera-loan.

BOLIVIA IS close to agreement tion beyond the planned signing meant that so long as the Carter

> President Reagan's Adminisquestions and the Bolivians ing from 2 per cent to 24 per clearly believe this will permit cent above London interbank the IMF Board to approve the

Pending agreement with the fund, a steering committee of international banks has agreed regime which ousted former terms under which Bolivia's: President Lidia Gueiler last July commercial debt should be rescheduled. The terms have now Administration remained in been submitted to all banks office the IMF Board was un- with debt to Bolivia maturing likely to approve a credit for during the 24-year period Bolivia. The banks are likely to approve the proposals which allow the debt to be refund's executive board, but it tration, however, takes a much allow the debt to be re-is thought in international bank-softer line on human rights scheduled on high spreads rang-ing circles that this will be less questions and the Bolivians ing from 2 per cent to 21 per

rates. Details of rescheduling, Page 26

Sudan's economic weakness compounds the threat from Libya BY JAMES BUXTON, RECENTLY IN SUDAN

in on President Jaafar Nimairi of Sudan. There are Libyan troops in Chad, which borders Sudan's far distant western tighten an already austere

economic policy.

President Nimairi, who is strongly pro-Western, has ruled devastating power cuts in the the inflow of consumer goods worse. Relations with Khartoum capital, Khartoum, accompanied from Libya, where many are overlaid by lingering distributed and other shortages there and elsewhere. There is sized Khartoum's inadequacy. In is no reason to suppose that January, while the Libyans Moslem south, which fought a yet, President Nimairi, an instinctive politician, has so far El Fasher, the provincial covered by Chevron, is first wriggled through, thanks to capital over the provincial covered by Chevron, is first wriggled through.

inertia or incompetence of his Governor. The appointment

The Libyan military invasion of Chad is the most serious large numbers of troops have new development, demonstrat- been transferred to the west region, itself lately the scene of some internal trouble. Relations strength. Sudan does not between the central Government and the semi-autonomous Southern Region are more than usually strained. And the Government has been forced to the west impressive logistical from Kassala, on the border with Ethiopia, with which president Nimairi has now achieved good relations. They have gone to try to prevent subgrident an already auterer subvert his rule in the for the forces. subvert his rule in the far strengthen internal security. western province of Darfur by The situation is under control, western province of Darfur by
bribes and infiltration, and
thus undermine the regime.

The situation is under control,
but there is still a danger that
the West will use the Libyan the biggest country in Africa Darfur is more than 400 threat as a lever to obtain since 1969, and is quite familiar miles from Khartoum and with things going wrong. He has survived several coup so fuel is chronically short and central Government has little central Government has little attempts, the problems caused there has been much less could by turbulent neighbours and mic development there than in the disturbances triggered for other parts of the country. This suffers from communications problems which, if anything, are has long bred discontent, while

had to be withdrawn. Since Libya invaded Chad, the West will use the Libyan threat as a lever to obtain

good internal security and the unpopular non-Darfuri as the past few weeks the southern

executive council has protested inflation, of \$205m—makes sense strongly against Khartoum's because Kosti is a centre for decision to pipe the oil 340 miles rail, road and river transport north-east to Kosti, on the White to the south and west, as well sold a simple refinery or topping plant there. This plan, although expensive

per cent of the topping plant's This plan, although expensive output—it will have an initial devaluation, and reduced sub-recently said it would withhold dent Nimairi needs to be at a total cost, allowing for capiacity of 10,000 barrels a sidies), and imports have been two tranches unless the Govern-careful.

day, Chevron's estimate of cur-restricted. Some economic re-ment raised prices for subsirently viable production—will forms are being introduced, and dised goods, especially petrol, be heavy residual fuel oil, which the World Bank is putting up

President Nimairi has suris very expensive to transport (it has to be kept hot or it solidifies) and can only be used in a few plants, all within 180 miles of Kosti.

oilfield and in the South so that the southerners benefit from employment and other rewards of "their" oil. Behind the protest is the threat of disrupting oil production. At the very least, the southerners are using

the World Bank is putting up funds to rehabilitate installations ravaged by lack of foreign different political factions. exchange and mismanagement. Socialism has manifestly failed and the official Sudan Socialist The southerners argue that ing debt, and some businesses the refinery ought to be near the have been denationalised.

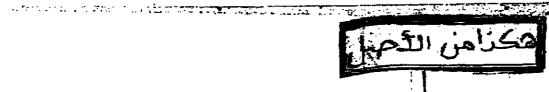
economic terms. Production in many sectors, especially in agri-

exchange and mismanagement.

Agreements have been reached, and the official Sudan Socialist at least in outline, on rescheduling debt, and some businesses have been denationalised.

But it is too early to say that Sudan has turned the corner in economic terms. Production in ministerial posts are busy toying to Islamicise the laws of a many sectors, especially in agriculture, is still going down. A country in which Moslems are
bad cotton season may lead to
exports in the 1988-81 financial. The Ansar political and
year falling to only \$500m, their
lowest since 1974. Sudan's Sadiq El Mahdi, is internally
modest imports of oil will
account for all but \$160m of A trio consisting of Precident least, the southerners are using the refinery to screw maximum concessions on other issues out lowest since 1974. Sudan's of the central Government.

These problems would all be easier to solve if Sudan were not so weak economically. In 1978 it was forced to devalue and commence a programme of austerity and consolidation, on terms agreed with the international Monetary Fund.

That policy has required considerable political courage. Expectations have been thwarted, prices have fisen (because of team which visited Kharteum beautiful agreed with his desire to devaluation, and reduced subsequently said it would withold dent Nimairi needs to be apported to the collection of the collection system. 

Taiwan reasserts claim on EEC tariff contacts

BY DAVID HOUSEGO IN TAIPEI

Prime Minister, insisted yester- as part of an overall policy of day that Taiwan had had preliminary contacts with the EEC dence on the U.S. and Japan.

over Taiwan's offer of further tariff reductions for European products.

He also indicated that Dutch industry could arrest forther.

Taiwan's more thrusting foreign policy is, however, resented by Peking which downgraded diplomatic relations with

industry could expect further equipment orders, after Holland's recent decision to sell Taiwan two submarines.

The Prime Minister's reference to "preliminary contacts" conflicts with denials made on Tuesday by EEC officials in Brussels that any such contacts hadtaken place. No European Government maintains diplomatic relations with Taiwan and thus officially there can be no government - to - government

exchanges. In spite of the lack of formal recognition, however, the forth-coming tariff reductions on EEC goods for Taiwan and the likely growth in trade between Talpei and the Ten, is the result of

based on mutual interest. The significance of Taiwan's for military equipment for offer on tariff cuts is that it has Taiwan apart from its traditional an important place in the supplier, the U.S., and said he island's attempts to establish expected increased military what are called here "more orders.

MR. SUN YUN-SUAN, Taiwan's substantive" links with Europe

the Netherlands over the sale of the submarines. Earlier yesterday Dr. Fredrick Chien, political Vice-Minister for Foreign Affairs,

said the proposals on tariff re-ductions had been made through "a third party." Mr. Sun, however, in an interview with European journalists declared that there had been "preliminary contacts with EEC people," but that no concrete conclusion had been reached.

In a reference to EEC quotas on Taiwanese products he de-nounced Europe's discriminatory action and said there were many reciprocal problems which Taiwan would like to discuss with Europe.

Mr. Sun added that he hoped sensitive informal diplomacy the sale of the submarines had opened new sources of supply

European exports to

China fall

exports to China fell sharply last year, reflecting recent changes in Chinese economic policy.

Quoting authoritative Chinese figures forwarded to the Commission ahead of a major economic meeting between the EEC and China later this month, officials said China's exports to the EEC rose by 33 per cent last year, reaching \$2.3bu compared with \$1.7bu in 1979.

EEC officials said Community exports to China were worth \$2.6bn (£1.2bn) last year, compared with \$3.3bn in 1979, a fall of 21.5 per cent. The fall in EEC exports was

esentially due to steep cuts in Chinese imports of steel, which accounted for some 40 per cent of its imports from the EEC in 1979. The reduced steel imports were a reflection of a change in Chinese economic

priorities last year, involving

a movement away from heavy

industry, for which steel is an

important product, and a greater stress on light industry and agriculture. • Mr. Cecil Parkinson, the British Trade Minister will leave for China and Hong Kong today on an official trade

Small UK groups win sales prizes

exports was acknowledged prizes. yesterday with the presentation of the 1980/81 Export Award for Smaller Manufacturers, the only incentive award backed by the UK Government for small businesses.

The two "first prize" winners even more impressive, the were Europolymers, based at highest being 375 per cent. Amersham, Bucks, and Nautech, which manufactures at Portsmouth. They receive prizes worth more than £7,000 each from the sponsors of the award; the British Overseas Trade Board, British Airways and the

Daily Express.
In second place were three companies: Greengrove Welding Wires, Tornado Model Products

THE contribution made by and F. Drake (Fibres) which small companies to British each receive £3,000 worth of

> Overall, the 10 prizewinners -which include five runkers up— increased their exports last year by an average of 188 per cent. The increase achieved by individual companies was

Europolymers, the only UK manufacturer of speciality polyurethanes used for adhesive and textile coatings as well as injection moulding in the plastics industry, has increased its export turnover in the past three years from £33,000 to

£715,000, just under half the total £1.6m turnover achieved in

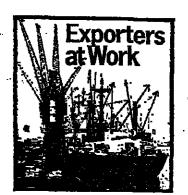
Mr. Delahoy said that the company, which employs only autopilots. 20 workers, will continue to seek a wider market for its products. He feels it would be dan-gerous to rely on Europe as its figure leapt to over £1m, repre-major market especially as the senting about 70 per cent of strong pound was hampering total sales.

exports there.

Until 1971 when Europoly- tech, was founded by Mr. Derek mers was set up by Mr. Frank Fawcett in July, 1974, to manu-Delahoy. British companies facture automatic pilots for sailimported these materials from ing vachts. The first system prothe U.S. and West Germany but duced called the Autohelm the company has not been con-received a Design Council tent to serve only the UK mar-award in 1976.

It expects to achieve a turn-Its major export market is in over of £2.5m this year with Europe, mainly West Germany exports exceeding £1.85m. and Italy, accounting for about According to the company, it now holds the dominant share of the world market for marine

In 1979, the company's exports were valued at £392,362



produce a high quality, high technology product, selling at relatively low cost. It also re-invests a large part of its profits into research and development with the result that it has brought out new products almost yearly. This has also been coupled with an aggressive sports there.

Nautech, which employs 75 market policy and the company
The other joint winner, Naupeople, says that its policy is to has agents in 25 countries.

Multinationals face questions on bulk shipping

BY OUR WORLD TRADE STAFF

MULTINATIONAL companies involved in the shipping of iron ore, phosphate and bauxitealumina are to be questioned by experts investigating barriers to developing countries seeking entry to the bulk shipping trade.

The move comes as a result of a recent meeting in Geneva, held under the auspices of the UN Conference on Trade and Development (UNCTAD), which was headed by Mr. Mustafa Gokal, a wealthy shipowner and adviser to the Pakistani Government on shipping matters.

It comes in response to the completely open, and any be desire of developing countries to double their share of the world shipping fleet to 20 per cent over the next decade.

According to the UNCTAD Secretariat, one of the main obstacles blocking this object-tive is the "high degree of control which is exercised over bulk cargo movements by transnational corporations.

Shipowners from developed countries argue that the bulk shipping trades are

country that wants to partici-pate can do so. The purpose of through the governments of at a questionnaire to be distributed least 66 UNCTAD member to multinations, is to discover countries. The number of comwhether there are any barriers panies queried could range to entry into the bulk trades, as between one and 20 per is alleged by many developing country. countries.

transmitted one and 20 per

The questionnaire is divided The questionnaire is being into three main parts. The with formulated by a group of 13 first deals with the identification trade. experts, which include represen- of the various parties involved tatives from Sumitomo Metal in the different trades. Answers Industries. Malaysian Inter- to this should give an indication national Shipping and Alcoa of the scale of vertical integra-Steamships. The questions will tion within the trade.

sale and details of how various cargo movements are arranged.

The final part includes questions on the volume of tonnage carried in ships belonging to the importing and exporting countries and third countries with no involvement in the

The questionnaire seeks to discover how much of the traffic is aranged through shipping brokers and direct confacts.

- Marketing dates set for videodisc system

BY JASON CRISP

A GROUP of major companies will be mar-which will market the VHD keted through Thorn-EMI, videodisc system made a joint announcement yesterday on firm and through its rental outlets, launch dates at different centres and by JVC itself and Matsuaround the world.

The VHD videodisc is to be launched in Japan in October. It will be marketed in the U.S. from next January, and in Britain from June, 1982. The VHD disc, developed by

e JVC in Japan, is one of three i rival videodisc systems. The two other major systems contending were developed by

RCA with Selectavision.

JVC's videodisc system has found widespread backing from licensed to Pioneer.

shita (National Panasonic). Other companies backing the Other companies backing the VHD system in Japan include Akai, Toshiba, Aiwa, Sharp, Sanyo, Mitsubishi, NEC and Sansui. General Electric in the U.S., will market the system there, as it will JVC, Quasar and Panasonic brands.

Philips has been test marketing the VLP optical disc system Philips, the Dutch electrical in the U.S. for two years. It is geompany with its Video Long now available in 32 cities. Player (VLP) and the U.S. giant Philips will launch the system in the UK this autumn. In the U.S., Philips' system is also

a number of other companies, RCA's Selectavision particularly in Japan. In the launched this month. RCA's Selectavision is to be

Sixty Israeli companies take part in Cairo fair

BY MARGARET HUGHES IN CAIRO

SIXTY Israeli companies will take part in the annual Cairo International Fair, which opens pavilion which, together with for a two-week period the Hong Kong pavilion, will be tomorrow. It is the first time visited by the Duke of Edinofor a two-week period tomorrow. It is the first time Israeli companies have partici-

pated in the event. The companies will exhibit

The Israelis will also stage four seminars on tourism, irrigation, cattle production and poultry breeding on March 18 and 19. This will be followed by an international day on March 24 when Mr. Gidon Pat, the Israeli Minister of Tourism, Industry and Trade, will visit the fair Israel's presence at the the fair Israel's presence at the arrested for distributing anti-Cairo fair falls within the Israel leaflets.

will be participating at the 9-17 commercial fair here. It

Mr. Farouk Mohamed El Bakary, the fair's chairman, anticipates deals worth between EESm and EE9m (£4.2m and has been referred to the £5.35m) to be transacted, leading to follow-up orders of Abu Dhabi, capital of the UAE, between E£30m and E£40m.

Thirty-five British companies will be taking part in the British burgh on March 21.

The only Arab country par-The companies will exhibit ticipating will be Sudan, mainly agricultural equipment although fair officials expect some 500 Arab businessmen to visit.

Mr. Farouk Mohamed El Bakary, chairman of the fair organisers, said he did not anticipate problems of the kind experienced at the International Book Fair in January.

Then two Egyptians were framework of the normalisation AP-DJ reports from Dubai: The Soviet Union has approached agreement.
Some 940 companies from 31 United Arab Emirates officials for permission to join the April would be the Soviet Union's

first commercial presence in the UAE, which has no diplomatic ties with Moscow. The request

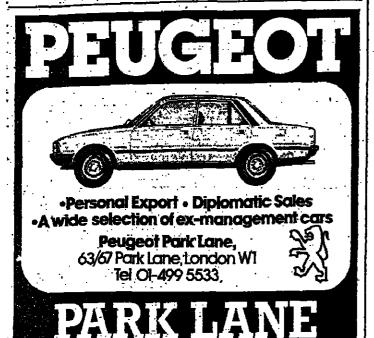
French aerospace sales rise

biggest share was accounted for by missiles and AP-DJ

ما بي

PARIS — Firm orders received from abroad by the French aerospace industry increased to a record of FFr 27.017bn last year from FFr 26.890bn (£2.96bn £2.44bn) in 1979, the industry association announced.

The biggest share was space equipment with a 38.6 per cent share of total orders, followed by air frames and completed aircraft with a 38.6 per cent share of total orders, followed by air frames and completed aircraft with a 38.6 per cent share of total orders, followed by air frames and completed aircraft with a 38.6 per cent share of total orders, followed by air frames and completed aircraft with a 38.6 per cent share of total orders, followed by air frames and completed aircraft with a 38.6 per cent share of total orders, followed by air frames and completed aircraft with a 30.8 per cent share of total orders, followed by air frames and completed aircraft with a 30.8 per cent share of total orders, followed by air frames and completed aircraft with a 30.8 per cent share, helicopiers a 14.5 per cent share, and completed aircraft with a 30.8 per cent share, helicopiers a 14.5 per cent share, and completed aircraft with a 30.8 per cent share, helicopiers a 14.5 per cent share, and completed aircraft with a 30.8 per cent share, helicopiers a 14.5 per cent share, and completed aircraft with a 30.8 per cent share, helicopiers a 14.5 per cent share, and completed aircraft with a 38.6 per cent share of total orders, followed by air frames and completed aircraft with a 30.8 per cent share, helicopiers a 14.5 per cent share, and completed aircraft with a 30.8 per cent share, helicopiers a 14.5 per cent share, and completed aircraft with a 30.8 per cent share, helicopiers a 14.5 per cent share, and completed aircraft with a 30.8 per cent share and completed aircraft with a 30.8 per cent share are constant with a 30.8 per cent share and completed aircraft with a 30.8 per cent share are constant with a engines a 6.4 per cent share.



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Chancellor

to end some

tax schemes

THE CHANCELLOR of the

Exchequer is to end the tax

advantages of certain insured

sick pay schemes arranged through an insurance company. This has brought a strong pro-

test from Crown Life, a major

insurance company in the field.

designed so an employer can

during sickness boost an em-

ployee's pay above the social

security levels in a tax efficient

manner. There are two main types of contract, the most

efficient being the trustee

Under the scheme the em-

ployer sets up a trust to administer the sick payments to

employees. The insurance com-pany makes payments to the

employee through the trust.

Under current legislation

thee payments are free of tax

Since the employee is not on the payroll while sick, neither

he nor his employer pays National Insurance contribu-

The payments would normally

make up the employee's take-

home pay after deducting tar-and NI contributions. The

premium paid by the employer

is directly related to the em-

ployee's history of sickness.

Sir Geoffrey Howe proposes that from 1982-83 such sums

paid to employes will be treated

as emoluments and taxed

The sick pay schemes are

wi pri

sick pay

Councils to spend more than £1bn above target

budgeting to spend filbn more than the Government's latest ment has found manageable. target for 1981-82. In addition the average increase in domes-tic rate bills will be 20 per cent or more, about double the projected year-on-year inflation rate for the financial year.

When the budgets for 1980-81 were published last spring the target figure for current expenditure was missed, according to Environment Department calcu-lations, by 5.6 per cent, or £739m. Budget figures are always the maximum estimate of the year's expenditure and the initial apparent overshoot normally reduces steadily through each financial quarter ending more or less on target (within a tolerance of about per cent) each year.

Close to target .

The current year's expenditure is likely to end in the same way-close to the target and ilmost certainly not more than 1 to 2 per cent adrift—in spite of the almost total ineffectiveness, in net terms, of a call for revised budgets last summer.

1981-82 on the planned revenue £15.523bn (1980 survey prices) would be 6.5 per cent-higher than the and in view of this the Govern-

AUTHORITIES are normal three or four percentage points which local govern-A substantial number of

authorities are likely, there-fore, to suffer penalties in the form of reduced Government grant as they miss their indi-vidual targets (a 5.6 per cent volume reduction from the 1978-79 outturn expenditure) set by Government.

Further cuts

Even if they did not manage to contain all of the overshoot during the year councils would still be achieving further cuts in real terms; the cuts would just not be as great as the latest White Paper plans indicate.

The Government will be particularly annoyed that most of the apparent excess spending will be by counties. Of about £550m excess from the them the metropolitan counties are expected to account for about £200m. The metropolitan districts will add another £350m of excess, and the shire districts overspend of at least £150m takes the figure past £1bn evised budgets last summer. on the most conservative esti-But the overshoot of £15n for mates made by local authorities The counties have gained substantially in the new shareout of central government grant,

ment feels their average rate rises and expenditure plans are too high. The shire counties are planning to increase their precepts—the rates they levy through the districts—by an average of nearly 10 per cent. The district rates are likely to average increases of between 20 per cent, metropolitan areas at least 30 per cent, outer London about 25 per cent and inner London about 40 per cent.

The new Financial Statement and Budget Report shows the Government estimates average domestic rate rises in 1981-82 to be about 19 per cent. This contrasts with hopes of low single figure increases expressed by Mr. Michael Heseltine, Environment Secretary, as recently as December.

Disappoint

The statement shows estimated outturn for taxes on expenditure (which means rates for local government) is £8.7bn and the forecast for 1981-82 is £10.35 n. This gives a rate income increase of 18 per cent, and allowing the usual 1.5 per cent shift for changing rateable values, leaves 16.5 per cent. This translates to an average

19 per cent for domestic rates, a figure which must disappoint the Government.

Move to tax Clore estate blocked

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE INLAND REVENUE has Charles instructed Stype to sell suffered a setback in its his Guy's Estate in Herefordattempts to exact Capital Trans- shire to the Prudential Assurfer Tax on the estate of the ance Company for £20.5m. The late Sir Charles Clore.

the High Court yesterday, that transferred the sale proceeds the Revenue had not shown that to its bank account in Jersey. Stype Investments (Jersey), a The Revenue had assessed company controlled by a settlement set up in Jersey by Sir being due on the sale and Charles in 1979, had "intermeddled" in his estate by transferring to Jersey £20.5m after account of the estate and pay selling the largest item in Sir . the appropriate tax. Charles' English estate.

not serve legal proceedings sale proceeds to Jersey. Stype appeal against the ruling.

influential figure in the news

paper industry for many years,

managing director of United

Newspapers, which publishes year, many provincial morning, even Lor

was appointed chairman of The Edinburgh.

died yesterday aged 63.

OBITUARY

sale was not completed until Mr. Justice Goulding ruled in after his death, when Stype

The Inland Revenue conten-Therefore, the Revenue could ded that, by transferring the had put itself in the position of The Inland Revenue will an executor liable to account for Capital Transfer Tax. Shortly before his death, Sir Because of that, the Revenue account to him for the £20.5m.

Lord Barnetson, Observer chairman

He retired from the chair-

manship of Reuters news

agency last year after occupying

the post for 11 years and was

during its 1967-68 centenary

Lord Barnetson, who was

LORD BARNETSON, chairman Observer after its takeover by

He had been chairman and chairman of Press Association

ing and weekly papers, since knighted in 1972 and received

Last year he became chair of Crowborough, Sussex, in man of Thames Television, and 1975, was born and educated in

of United Newspapers and an Atlantic Richfield.

argued, it should be allowed to serve its legal proceedings on Stype out of the jurisdiction of the English courts.

The Revenue also said that without the £20.5m, Sir Charles' UK liabilities exceeded his assets, and that the transfer of the money to Jersey might gravely prejudice the rights of English creditors.

But the judge held that the transfer did not amount to intermeddling. Stype had not intended to exercise the functions of executor or administra tor of the estate, he said. No personal representative of Sir Charles' estate had yet been

William Denholm Barnetson

began his career as a journalist,

an activity which included reporting the Spanish Civil War as a freelance correspon-

dent. In his later business life

he remained proud of never having lost his journalistic

At the end of his war service

he was detached from military

duties to reorganise the news-

paper industry of post-war West Germany, and was then involved

instinct.

appointed in the UK. When one was, Stype would have to

first time today. It marks the culmination of

a two-year campaign to raise £20,000 for the launch. Altogether 12,500 copies of the first edition have been printed. More than 700 individuals and organisations

MFI, a cut-price furniture company, was fined £600 by Luton magistrates yesterday for misleading people into thinking they had won a free prize. The company distri-buted 50,000 leaflets in Luton claiming the lucky house-holder was on to a winner. In fact customers had to spend £50 before getting a £5 discount voucher. The comnany admitted three offences under the Trades Descriptions

sources. Murphy Petroleum Ultramar Exploration;

leum. Murphy Petroisum

Ultramer Exploration; Ocean Exploration Co.; Viva Petro-

Murphy Petroleum Ultramer Exploration; Ocean Exploration Co.; Viva Petro-

Ultramer Exploration; Ocean Exploration Co.; Viva Petro-

Texaco North See UK A.B. Exploration; Unigate Ex-

pioration.
Unocal Exploration and
Production Co. (UK)
Brister (North Sea); City Oil
Exploration; Lennox Oil Co.:
Pentland Oil Exploration; Ti
Energy Development; Valor
Exploration.

texas Gas Exploration (UK)

Texas Gas Exploration (UK)
Corpn.
Candeccs North Sea: Caladonian Offshore Co.: Cockrell
Oil (UK) Corpn.: Dolphin
Petroleum: Ocean Transport
and Trading: Pogo British Isles
Inc.: Racal Exploration
Texas Gas Exploration (UK)
Corpn.

hits 300 Timken jobs

BRITISH TIMKEN, the rollerbearing manufacturers, announced yesterday that it is to pay off 300 workers at its Duston and Daventry plants in Northamptonshire.

A company statement said that the redundancies were necessary because of the recession, a reduction in orders and a big cut in the Government subsidy for short-time working. More than 200 of the redundancies will be at the Duston plant.

Steel output rises

A DEGREE of recovery in the steel industry's order position last month produced the highest weekly rate of

output since June, 1980. Combined production of the public and private sectors during February averaged 319,500 tonnes per week. But in spite of this improvement -it compares with an average weekly rate of 235,000 tonnes in January—output was still 25 per cent below the February, 1979, level.

Textiles forecast

AN improvement in the fortunes of the textile industry by the end of the year is forecast by Phillips and Drew, stockbrokers, in its latest

It says textile industry profits should start to benefit from the ending of destock-ing retail trade which has slowed new orders received by manufacturers.

Co-operation plea

BRITISH companies need to make special efforts to improve co-operation and flexibility between management and shop floor workers before an improvement in the economy leads to greater industrial relations conflict, the Industrial Society said

yesterday.

The society said there had been a high level of flexibility and common purpose in companies hit by the recession. But it was afraid such flexi-bility could be ended when the labour market revives.

First edition

EAST END News, 2 weekly Dewspaper run on a co-operative basis, appears for the

MFI fined £600

Subsidy cut | 'Lack of clear Government policy poses threat to university quality'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

is in danger of deteriorating for want of a clear Government policy towards higher education, said the Universities Committee of Vice-chancellors and Principals yesterday.

Further economies in university funds, disclosed in this week's White Paper, together with reduced intakes of overseas students since their fees were raised, meant that universities' income would fall by about 15 per cent over the next two or three years, the vice-chancellors said in London. This implied a cut of at least

one eighth in the provision of university education, which implied a reduction of about 5,000 academic staff.
"The implications of this

policy must be grasped by all those who were hoping to see

Liquidations

show big rise

on 1980 level

These show 811 liquidations

on a three-month seasonally

adjusted average, an increase from 768 in January and 464 in February last year. On an un-

adjusted basis the February figure shows a fall in company liquidations from 946 in

Personal bankruptcies have

shown a slight increase, from

361 bankruptcies in January to

390 last month. But the figure

is considerably upon the 275

bankruptcies recorded in Feb-

SUN PRINTERS, part of the British Printing Corporation,

last night gained the main share of a £126m agreement for print-

ing the TV Times over the next

seven years, writes Alan Pike.
The contract for production of

the national section of the maga-

zine, which goes to Sun Printers,

Two other BPC companies,

is worth nearly £11m a year.

January to 771.

By Gareth Griffiths

THE QUALITY of universities their children soon go on to redundancy compensation, the higher education and by all universities could not be ex-those who value the achieve- pected to plan their economies ments of British scientists. technologists and scholars of all important research and teachkinds," the committee said.

While believing the policy of were even more worried about the quality of the remaining provision. They felt it would deteriorate unless the Government admitted that its policy was one of reduction and took part in planning how it should be carried out.

being presented "with managerial problems which cannot be solved in any sensible way." Without Government guidelines and extra funds to provide Editorial comment, Page 20

to ensure that the best and most ing activities were preserved.

The most likely outcome was running down the higher that some universities would education system to be mis simply go "bankrupt," involv-guided, the vice-chancellors ing expensive lawsuits by simply go "bankrupt," involvacademic and other staff for breach of their employment contracts. The remainder's provision would be left to the chance effects of "natural wastage" of staff. "As things are now, there

isn't enough money to keep the system going, and there isn't At present, universities were enough money to reduce it sensibly either," said Mr. Maurice vice-chancellor Leicester University.

Record prices for British art works reflect demand

be an insatiable demand for NEARLY TWICE as many British works of art with prices British companies went into in a wide range of markets risliquidation in February com-pared with the same month last ing to new levels. On Tuesday at Sotheby's English delftware was selling at many times the year, according to figures published yesterday in British Busihigh estimates for the best ness, the Department of Trade pieces; on Wednesday in the same saleroom record prices

SALEROOM

BY ANTONY THORNCROFT

were set for modern British artists such as Spencer, Bevan Gilman; and yesterday Christie's achieved some extraordinary prices for English furniture.

Partridge, the London dealer, at Belem by Edwa; paid £80,000, plus the 11.5 per £3,500. A micros cent buyer's premium and VAT, sold at Christie's for a pair of George II giltwood sington for £1,600

Waterlow (Dunstable) and M1

Studios, will be responsible for

typesetting and lithographic re-

production. That contract is

Ben Johnson Limited will be responsible for the cover of the

magazine. Four web-offset com-

Sun Printers in TV Times deal

worth £1.3m a year.

Ditchley in Oxfordshire.

Sons; Severa Valley Press and

Mr. R. W. Phillis, managing

director of Independent Tele-

vision Publications, said that the

new contracts would enable TV

Times to expand and grow

throughout the 1980s. It would

be possible to produce larger

issues wiht greater regional

Chromworks.

SUDDENLY THERE seems to girandoles which were made around 1750 originally, for

York dealer bought a George III sycamore and marquetry commode in the style of John Cobb for £34,000 while Phillips and Harris acquired a large Regency oak dining-table for £26,000 against the £3,000-£5,000 forecast. A Chinese coromandel lacquer 12-leaf screen of the 18th century sold for £15,000. The sale totalled £516,360, with just

At Bonham's, the top price in a sale of watercolours was the £3,800 for The Marquis of Wellington Jug by Sir William Nicholson The schooner Vireato Belem by Edward Seago made £3,500. A microscope by Cuff sold at Christie's South Ken-

Christie's estimated their value at £15,000-£20,000. A New

7 per cent unsold.

accordingly under PAYE. This clampdown on sickness benefits was not amounted by the Chancellor in this Budget

speech, but was contained in a single sentence in the Finan-cial Statement and Budget Report 1981-82, known as the Mr. Alan Duggin, Crown Life

chief executive is today sending a letter to Sir Geoffrey com-plaining bitterly of the decision. Mr. Duggin says the present system has been in operation for many years. It enables employers, who are under no

obligation to pay employees when they are sick, to do so in a tax efficient manner cutting costs in half. There are more 10,000 schemes existence. Crown Life estimates that

employers' costs will rise by between 1 and 21 per cent of payroll. The proposal is not consistent with the Government's declared policy of helping employers, says Mr. Duggin.

Halifax will let home buyers see valuation reports

panies will handle its regional be possible to produce larg programme sections. These are issues with greater region Carlisle Web Offset; Petty and identification and flexibility.

BY ANDREW TAYLOR

THE HALIFAX Building "The most important aspect of regard them as a substitute for Society will make mortgage this new scheme is the report valuation reports available to prospective house buyers from the end of the month. The decision follows a similar move avoid responsibility for the con- a full structural survey. last year by Abbey National tents of valuers' reports." Building Society.

The decision by Abbey
Until last year building National to make valuation

societies had not generally disclosed the contents of valuation reports which societies require before deciding on loan applications. The Halifax said yesterday: receiving these reports would authorities can guarantee build-

British National Oil Corpn.

Amoco UK Petroleum
British Gas Corpn.
British Sun Oll Co.; Ranger
Oll (UK): Clyde Petroleum/
Clyde Petroleum (Minerals):
North Sas Exploitation and
Hessearch Co.; Hampton Gold
Mining Areas; Cherterhall Oll;
Hautpas.
Membron Oll (UR)

Marstpas.

Marsthon OH (UK)

LMS Energy (LME); LL & E

UK Inc.; Norwich Union
(Hydrocarbons).

Gulf Oll Corpn.

Jubilas OH Co.

Esso Petroleum Co.

RTZ OH and Gas.

Coupeo (UK)

Conoco (UK) London & Scottish Marina Oil

Energy Co.: Dawsea, Sovereign Oil and Gee Dow Chemical Internations

Co.: Saxon Oil. Sovereign Oil and Gas Dow Chemical Internation

206/1

208/13

209/12

214/28 219/20

219/27

219/28

will carry no disclaimer as to potential liability. This means the Halifax will not attempt to house purchasers to commission

reports available to housethe Royal Institution of

a full structural survey. The Halifax said yesterday it has always stressed the need for

The new scheme has been worked out after discussions with various architectural and holders drew criticisms from • The Government yesterday

chartered surveying bodies," published details—in the form Chartered Surveyors which was of "model agreements"-of its concerned house purchasers new scheme by which local

ing societies against mortgage default. Mr. John Stanley, Housing

Minister, said: "Local authorities will have a wide choice of circumstances in which to offer guarantees, including mortgages for the purchase of newly-built starter homes, houses in need of improvement in both public and private sectors, and houses sold under the right to buy, improvement for sale, homesteading and shared ownership

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Energy Review: The North Sea seventh round

By Ray Dafter, Energy Editor

Independent UK companies given a break

THE ENERGY Department, which yesterday awarded a further batch of offshore oil concessions, has successfully established a new pattern of exploration licensing. and production

Three factors set apart the latest seventh round of licences from all the previous allocations: First, the Government has

found a welcome new way of raising money. Some £210m is being gathered through the licensing of 42 blocks and part blocks, each chosen by the in-dustry itself. Companies had to pay a £5m premium for each of these self-nominated blocks.

Second, the seventh round has opened up new exploration territory ranging from blocks in the deep and hostile waters north of latitude 62 degrees, to tantalising prospects close to the Isle of Wight in the English Channel and areas close to the south western limits of the U.K. Continental Shelf, in the Atlantic.

 Third, Energy Ministers deliberately set out to establish a 12/28 wider ownership of exploration acreage, particularly among independent British companies. Bidding consortia contained a host of new—and novel—com-panies representing interests as diverse as fishermen, bakers and tractor makers. Many of these new companies

have emerged as members of consortia granted 41 blocks under 37 licences yesterday. The locations of these licences were selected by the Energy Department under the tradichosen on the basis of various criteria including technical expertise, financial standing and willingness to fulfil minimum

awards include the expected assortment of experienced

INITIAL ALLOCATION OF SEVENTH ROUND DISCRETIONARY OIL LICENCES Candecca North Ses: Cale-

86/17

ENGLISH CHANNEL 98/17 Texaco No

Charterhouse Oil and Ges; Tri-centrol North See; Gas and Oil Acreage; Sears Exploration and Development: Berkeley Seventh Round. donian Offshore Co.; Cockrell Gil (UK) Corpn.; Dolphin Petroleum: Ocean Transport and Trading; Pogo British Isles Inc.; Racal Exploration. Kerr-McGee Oil (UK) BLOCK GROUPS (operator)
NORTH OF SHETLANDS entrol North Ses on Oli; Volvo Petroleum 73/5 Arpet Petroleum Santon NORTH OF SHETLANDS

Exploration Co.; Moray Pet-roleum Holdings and Develop-ment; East of Scotland Re-sources; Fishermen's Petro-leum Co.; Reid Marine; High-land Participants. Shen UK
Esso Petrolaum Company.
British National Oil Corpn.
BP Petrolaum Development.
Demines (London): Hunt Oil
(UK): Kerr-McGes Oil (UK). OUTER MORAY FIRTH

13/11 Phillips Petroleums Co. UK
Fina Exploration; Century
Power and Light: Oil Exploration; Agip (UK).

20/12 Mobil North Sax
Fismatops Oil and Gas;
Amerada Exploration; Texas
Eastern (UK); Whitshall Petroleum; Coalite Group.

20/14 Mobil North Sax
Fismatone Oil and Gas;
Amerada Exploration; Texas
Eastern (UK); Whitshall Petroleum; Coalite Group.

20/15 Shall UK
Easo Petroleum Co.

SOUTHERN NORTH SEA

43/28 Hamilton Brothers Oil Co.
(Great Britain)
Hamilton Brothers Petroleum
(UK); Blackfriars Oil Co.: The OUTER MORAY FIRTH Arpat Petroleum
Broken Hill Proprietary; Gas
and Oll Acreege; Midclyde
Oil and Energy; RMC Explorations; Aran-Energy; Santop.
Premier Consolidated Olifields

ors, six can be regarded as rela-

Occidental Petroleum
(Caledonia)
(Caledonia)
Thomson North Saa; Grandmet
Oli: Gesty Oli (Britain): Alfied
Chemical (Great Britain).
Burman Oli Exploration
Chartertourse Oli and Ges;
Charter Consolidated (UK
Offahore Oli Exploration);
Swedish Petroleum; Canadian
Industrial Gas (UK): DSM
Hydrocarbons/ (UK); Norsk
Hydro Petroleum; Teneco Great Britain
Albright and Wilson; David
Brown Tractors; GKN Exploration; Cluft Oli: Cluff Oli Hong
Kong (UK): CCP North See
Associates; Moray Firth Ex-50/18 and
50/21 British Gas Corporation
50/21 British Gas Corporation
50/21 WESTERN APPROACHES
73/2 Monaento
THF Oil; Amereda Exploration:
Charterhall Oil; Kaiser Petroleum (UK); WL Explorations:
Swadish Petroleum; Charterhall North Sea Oil Australia.
73/3 Guif Oil Corporation

North Sea operators—groups like Shell, Mobil, British National Oil Corporation, Amoco and Conoco—they also give the UK independent, Tricentrol an opportunity of tium in the North Sea. Burmah tional discretionary award Oil Exploration, trying to resystem. The licensees were establish its North Sea presence after its collapse in the early 1970s, has also emerged as an operator of a discretionary block which it can add to its earlier premium block alloca-tion. Of the 10 British comdrilling programmes. the seventh round panies so far selected as opera-

tively small concerns, according to the Energy Department.

A number of completely new exploration companies, Dawsea and Saxon Oil, will be hoping that they can emulate London and Scottish Marine Oil which struck it rich as a member of the Ninian Field

(UK); Blackfriars Oil Co.; The Trans-European Company; Tri-

consortium. Other names betray desire of companies to join the North Sea lottery as a means of providing a sideline to their normal business. The seventh round consortia contain a number of these including:

Exploration and Development, Natwest Resources, A.B. Exploration (Associated British Foods), Unigate Exploration, and THF Oil (Trust House Forte). The fishermen's consortium—"Fishermen's Petroleum Company"—has also emerged as a successful bidder, as a member of the Kerr-McGee consortium in block 12/29 of the Moray Firth.

North Sea operations, especially as each exploration well can cost around £5m, and much

a hefty risk investment con sidering that the drilling pro-grammes on the 83 blocks awarded so far (discretionary and self-nominated) will result in the sinking of at least 135 wells are drilled, the seventh nearer 180. Assuming all these wells are drilled, the seven-round exploration bill could come to about £1bn.
The eventlab oil will be even

Energy Co.; Dawsea. Conoco (UK)
London & Scottish Marine Oil
Co.; Sexon Qil.

says that up to 18 more discretionary blocks are to be awarded in the coming months. And, of David Brown Tractors, Sears more in many cases. That is course, those groups that find

considerably more wells than those laid down in their licence

work programmes. The presence of some of the more surprising North Sea entrants could have much to do with their nationality: they are British and, as such, welcome partners for overseas companies seeking licences. During the long run-up to the seventh round awards Ministers made it plain that they boped to see a substantial British interestamong the licensees. Companies like Texaco and Chevron took the hint Texaco formed a successful bidding group with Associated British Foods and Unigate; Chevron teamed up with National Westminster Bank and Imperial Chemical

So far 150 companies have been awarded a stake in seventh round licences, 82 of which are British. In yesterday's batch of discretionary awards 119 companies were successful, 72 which were British Leading operating companies

that have emerged so far are the ones that might be expected: Shell (nine blocks), (seven), Petroleum (six) and BNOC (five). But there were some surprising omissions from yesterday's announcement. Having done so

operatorship in the dis-cretionary area. Its only con-cession was a partner hip in a Moray Firth venture operated by BNOC Two French companies, Elf and Total, were conspicuous by their absence But it is too soon to talk of been allocated, there remains some attractive acreage yet to be idstributed.



of each application.

Mr. Gray admitted that the licensing process had taken wider as a result of vesterday's Of the 18 blocks still under longer than expected. This was announcement

consideration a number are partly due to the fact that the posing "difficult problems to petroleum engineering division resolve," Mr. Gray said was one third under strength. The oil companies can offer so is, the Energy Department's much more than we can pay," petroleum engineering division he said. We offer a fairly nar-has been under considerable row career and if one of our Such companies will provide higher. Mr. Hamish Gray, losers. While it appears that pressure trying to sort out the engineers goes to an oil comvaluable additional finance for Minister of State for Energy, most of the prize blocks have opportunities." Those opportunities are even

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eports.

Protest at lack of help on fuel prices

Chemicals Correspondent

CHEMICAL COMPANIES and trade unions have issued a joint attack on the Government for its failure to do more about the "major handicap of uncompetitive energy prices" in the Budget.

The chemicals economic development committee—the in-dustry's "little neddy"—has written to Ministers expressing its "grave concern" at the lack of action on energy prices.

Last week the National Eco-Development Council brought out a report on comparative energy prices which largely supported UK manufacturers claims that they were paying more for fuel and power than their Continental compe-

Yesterday the council made three claims. It said: It "believes further action is possible on electricity prices under the terms of the Budget

It "is unconvinced" by the Government's argument for re-fusing to cut the £8 a tonne duty on heavy fuel oil-among the highest in Europe. It is "ex-tremely doubtful" whether the ex-Government's action on gas-prices will ensure that UK in-dustrial gas prices are brought into line with those on the

British Gas concessions to industry cost £270m

revealed that its moves to help industry with gas prices have cost it over £270m.

The corporation said it had lost £200m a year in potential revenue as a direct result of its decision to ease industrial gas price rises last summer. British Gas had originally

planned to charge its firm supply contract customers the full equivalent of the heating oil price which was then running at just under 20p a therm. This would have meant price

increases of up to 14p a therm for some customers. But the corporation finally decided that such a pricing regime would be

too harsh.
Customers were told they would be asked to pay only about 75 per cent of the equivalent heating oil price when their contracts came up for renewal. British Gas said yesterday

that most customers had had their contracts renewed over the past months at only 70 per cent of the equivalent heating oil price. This was because the corporation had made no attempt to compensate for movements in the sterling exchange rate against some of the other major European currencies.

This week the Chancellor announced in the Budget

£73m and British Gas externa! financing limits have been adjusted accordingly -£390m to -£317m.

The corporation has decided to peg contract renewal prices at the levels obtaining in December and January this year. It said it had itself suggested the scheme to the Chancellor, although alternatives had been

For example, it had looked at the possibility of bulk tariff discounts. But this had been rejected on the grounds that it would not help all the 5,000 industrial customers of British Gas, nor would it necessarily help the most engery-intensive

The plan to peg prices will be backdated to March 1 this year and will run to December 1. Customers will still have to pay more for their gas when their contracts come up for renewalbut the price increases will be considerably lower than originally planned.

Firm supply contracts will be renewed at no more than the January price level of 29.3p a therm. And the quarterly lp a therm price increase clauses written into most contracts will not be operated.

The new measures will apply those with interruptible supply contracts-where cus- competitive.

yesterday turers on gas prices. The total tomers pay less for their gas in oves to help cost of his latest move will be return for accepting the risk of return for accepting the risk of having their supplies cut off.

The price of gas for those on interruptible contracts is interruptible contracts is directly related to the equivalent price of heavy fuel oil—which is cheaper than heating oil — and customers have the equipment to switch over to fuel oil when and if their gas is cut off. Since September 1980, British

Gas has been renewing interruptible supply contracts at around the 24p a therm level. Price escalation clauses in interruptible contracts allow for a single 1p a therm increase three months after the contract has been renewed—the price for firm supply contracts nor mally goes up every three

Interruptible gas contracts will now be pegged at around 24p a therm plus the 1p a therm increase until December. The move will mean that most inter-ruptible supply customers will he paying no more than about 25p a therm for the next nine months

British Gas pointed out that heavy fuel oil prices rose by some 3p a therm in January this year. As a result, interruptible gas prices will now be some 2p a therm cheaper than fuel oil. And if oil prices rise again between now and December, interruptible gas prices will become still more

Nine cities in district heating study

y Martin Dickson, Energy Correspondent

NINE CITIES were short-yesterday as possible con-yesterday as possible rontenders for Britain's first big scheme to use combined heat and power for district beating.

They are London (eastern and central areas); Belfast; Edinburgh; Glasgow; Leicester; Liverpool; Manchester; Newcastle; and Sheffield.

District heating by combined heat and power means piping waste hot water from an electricity station to heat homes and offices. The system, said to give substantial saving of energy, is used widely on the Continent.

The shortlist is part of a Government plan to select one or two cities as most suitable for pilot combined heat and power schemes. The commitment beyond feastbility studies. A scheme would be expensive to implement, possibly costing £500m

The nine cities will be studied in detail to determine their suitability.

W. S. Atkins and Partners, consulting engineers advising, recommend a shortlist of six, which the Government decided to extend to

Britain closer to choosing U.S. version of Harrier jump-jet

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE UK is moving closer to a decision to buy the U.S. test-flying the AV-SB prototype McDonnell Douglas AV-SB in the U.S., likes the aircraft, advanced version of the Harrier and believes it will be suitable developing a separate version of Europe with only minimum changes in the air transport that aircraft, the Mark 5, in this modifications.

ment is unlikely before the summer, after the review of all defence programmes has been an entirely new version in this completed by the Ministry of Defence.

But several factors are influencing the Ministry, and the RAF, in favour of buying up to 60 of the U.S. aircraft, worth about £150m including

One is that the U.S. AV-8B now appears to be a firm pro-ject, with the Reagan Administration allocating nearly \$888m (£401m) in its latest defence budget to cover the develop-ment, tooling and production costs of the first 12 AV-8Bs out of an eventual planned total of 336 aircraft for the U.S. Marine

Second, the UK defence review is expected to result in cut backs of individual projects undertaken in this country, and more international collabora-

tion where possible.

The AV-8B, on which British
Aerospace and Rolls-Royce are working with McDonnell Douglas and Pratt & Whitney of the U.S., would suit requirements.

jump-jet fighter instead of for operations in Central

The other major factor is that A final choice by the Govern-the cost of buying the AV-8Bs tent is unlikely before the from the U.S. would be considerably less than developing

The UK would have to bear all the costs of the Mark 5 while if the AV-8B is chosen, the UK aerospace industry will get a substantial amount of work to offset the procurement cost. British Aerospace already

builds about 30 per cent of the AV-8B airframe for the U.S., while Rolls-Royce makes about 75 per cent of the Pegasus engines for the aircraft. The U.S. partners, McDonnell Douglas and Pratt and Whitney, undertake the rest of the work.
Rolls-Royce yesterday shipped
to Pratt and Whitney the first

Pegasus engine for the first U.S. production AV-8B, and said the potential value of Pegasus engine and spares work for the full Marine Corps purchase of 336 aircraft would be worth over filbn to the company.

Work with the U.S. on the

AV-8B would also open the way for the eventual joint development of a supersonic vertical take-off fighter for the 1990s. It conditions.

Third, the RAF, which is still would be impossible for the UK to go it alone because of the

 Britain will continue to press cheaper fares.

Sally Minister for Consumer Affairs, said in Amsterdam yesterday that she welcomed the Dutch support for changes, illustrated by the decision of KLM, the Dutch airline, to join with British Airways in offering the new cheaper Club/Tourist Class concept on the London-Amsterdam route.

"I am also very glad that British Caledonian Airways, who operate between Gatwick and Amsterdam recently reached agreement with KLM on a new off-peak Mini-Prix fare, and that this is now being considered by the Netherlands Government. "We very much hope that they will feel able to approve it, thereby providing an improved choice of low fares for travellers between London and

The Minister said some of the British Government's important initiatives were currently under framework of the European Community, an organisation which fundamentally stood for a wide measure of free trading

Budget failed to help industry, says ICI

BY SUE CAMERON, CHEMICALS CORRESPONDENT

IMPERIAL Chemical Industries, strengthening Britain's biggest manufacturing company, yesterday attacked the Government for its failure to offer real help to industry in the

Budget.
ICI dismissed the benefits given to industry in the Budget as marginal. It said it was par- profitless." ticularly unhappy that the Chan-cellor had not given manufacturers more help with energy prices. It described the impact of Government policies on its business as drastic.

In the annual report released yesterday. Sir Maurice Hidgson, ICI chairman, said the group had been lobbying the Government to give industry greater help. Sir Maurice said: "The com-pany stands to benefit markedly from success in the Government's efforts to reduce the rate

of UK inflation, an objective which we fully support. the strongest possible terms to the dramatic effect on our business of some of the mechanisms which are being used to reduce inflation have not been reflected by greater support in the Budget for manufaguring industry."

ICI's pre-tax profits fell by 54 per cent from £613m in 1979 to a mere £284m in 1980. In his statement, Sir Maurice admitted the group "ran into an unpre-cedented combination of adverse factors" last year.

Trading conditions last year were "the most difficult since the Second World War." The group suffered because of:

 reduced demand, accentuated by heavy destocking: rising raw material prices and high UK cost inflation, which could not be recovered through increased prices in weak market

burden of an ever- 1979.

strengthening pound which adversely affected both UK and export sales realisation.

Sir Maurice pointed out that exports accounted for about one-third of ICTs UK production but

by the end of 1989 "much of this business had become ICI said vesterday that it was especially disappointed that the Government had not reduced the UK duty on heavy fuel oil — which is among the highest in

would increase its transport bills by "several million pounds." It also regretted that no action had been taken to cut the National Insurance surcharge.

added that the 20p a gallon in-crease in tax on petrol and derv

- in the Budget

"We are disappointed that our strong representations to the Government about the "Nevertheless, we have drawn the Government's attention in drastic effect on our business of some of the methods being used

> that on sales of £5.715bn last year the trading profit was £332m "little over half of that in

The group admitted it operated at a loss in the second half of 1980 and it reckoned that about half — £150m — of the £300m drop in trading profit was "attributable to the effects of the stronger sterling exchange

ICT's highest paid director was the chairman, Sir Maurice, who received £134,853 — an increase on the £124,380 he received in

£15.00 per cent

£55.00 per cent

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The Stock will be registered at the Bank of England or at the Bank of and, Beliest, and will be transferable in multiples of one new panny, by rument in writing in accordance with the Stock Transfer Act 1963. Transfera

Interest will be payable half-yearly on 22nd March and 22nd Septem Income tax will be deducted from payments of more than 65 per annum, into warrants will be transmitted by post. The first payment will be made on 2 September 1981 at the rate of £5.1821 per £100 of the Stock. Until payment in full has been made and a completed regis

allotment.

Payment in full may be made at any time prior to 15th May 1881 but no discount will be sllowed on Such payment, interest at the rate of 1 per cent per annum over the Bank of England's Minimum Lending Rate on a day-to-day basis may be charged on any overdue amount which may be accepted. Default in due payment of any amount in respect of the Stock will ender the allotment of such Stock liable to cancellation and any amount previously paid liable to forfeiture.

Letters of allotment must be surrendered for registration, accompanied a completed registration form, when the final instalment is paid, unless ment in full has been made before the due date, in which case they at be surrendered for registration not later than 15th May 1981.

Copies of this notice may be obtained at the Bank of England, New Is Watling Street, London, ECAM SAA, or at any of the Branches of the of England, or at the Glasgow Agency of the Bank of England; at the of Ireland, P.O. Box 13, Donagall Place, Bellast, BTI SBX; at Mullers & Moorgate, London, ECZR GAN; or at any office of The Stock Exchange in

BANK OF ENGLAND

Well look after your wage bill.

If you're paying your employees weekly in cash, chances are, you're wasting time, losing money and taking risks.

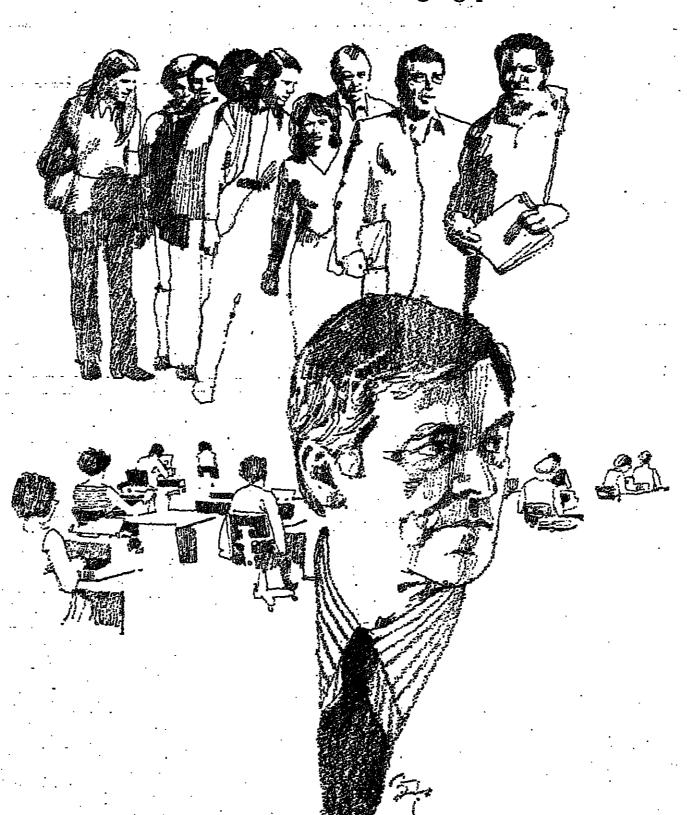
Paying your employees through the Midland will eliminate these elements.

Security costs

These will be reduced since you will have less cash on your premises.

Staff costs

You'll see an end to most of the work required in making up and checking wage packets each week.



Insurance costs

You will avoid the high premiums associated with cash holding and handling.

Production loss

Your employees will be exempt from weekly trips to the wage office, thus avoiding any loss of production.

Plus, of course, you'll be avoiding the risks of armed robbery, inevitable when large amounts of cash are being moved around.

These are just some of the reasons why the Midland wants to look after your wage bill

What's more, if you're paying wages weekly, by changing to monthly, you'll reduce your pay-days from 52 to 12 a year. This will effectively give your company extra working capital.

And whilst this appears to be the optimum solution, we'll be quite happy to arrange a weekly payment system direct to your employees' bank accounts.

We have a special team in each region, who can explain to you, your Unions and your employees, the many benefits we can offer you. They'll present the case for change and tell you all about the package we've put together.

Lets talk about it.

Tell us the problems you think you'll be up against and we'll do our best to solve them.

Send us the coupon below, or call your local Midland branch and arrange a meeting.

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Ī	<u> </u>
Address of Company	
, 	
Position	· · · · ·
Tel No. Ext	·
To: Midland Bank Limited, Room No. 61, Griffin House, P.O. Box 2, Sheffield S1	3GG, T9/3/81

Midland
Come and talk to the listening bank

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BANK OF BARODA

balances in their books on and after 13th

LEGAL NOTICES

IN THE MATTER OF THE COMPANIES ACT 1948 AND IN THE MATTER OF MARSHALL SELLARS ASSOCIATES

MARSHALL SELLARS ASSOCIATES
LIMITED

(In Voluntary Liquidation)

NOTICE IS HEREBY GIVEN pursuant
to Section 299 of the Compenies Act
1948 that a General Meeting of the
Members of the above named Company
will be held at 1 Wardrobe Place.
Carter Lane, London ECAV 5AJ on
Tyesday, 7th April 1981 at 10 a.m. to be
followed at 10.15 a.m. by a General
Meeting of the Creditors for the purpose of receiving an account of the
Liquidator's Acts and Dealings and of
the conduct of the Winding-up to date.
Dated this 6th day of March 1981

B. MILLS, Liquidator

THE COMPANIES ACTS 1948 TO 1967 CONSORT COPYING MACHINES LIMITED NOTICE IS HEREBY GIVEN, pursuent

NOTICE IS HEREBY GIVEN, pursuent to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at The Birmingham Chamber of Industry and Commerce, 75 Harborne Road, Birmingham B15 3DY, on Friday, the 20th day of March 1981, at 2.45 o'clock in the afternoon, for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 6th day of March 1981. By Order of the Board, ROBERT GRAY, Director.

THE COMPANIES ACT, 1948
IN THE MATTER OF
WHEELER AND D'SOUZA LIMITED

Commodity Brokers
Winding-up Order made 23 February Winding-up Urder, made 23 February 1981. Date and place of first meetings: Creditors 1 April 1981, at 10,30 a.m. at Park House, 22 Park Street, Croydon CR9 1TX; Contributories 1 April 1981, at 11,00 a.m. at Park House, 22 Park Street, Croydon CR9 1TX. R. A. D. COPPER, Official Receiver and Provisional Liquidator.

Bank of Baroda announce that, for March, 1981 and until further notice their Base Rate for lending is 12% per annum. The deposit rate on all monies subject to seven days notice of withdrawal is 9% per

COMPANY NOTICE

THE "SHELL" TRANSPORT AND NOTICE IS HEREBY GIVEN that a beaute of the Register will be struck on Monday. 13th April, 1981, for the armoration of warrants for a final dividend for the year 1980 of 10.5p per 25p Orolany Share 1980 of 10.5p per 25p Orolany Share 1980 of 10.5p per 25p Orolany Share 19 Approved at the Annual General Meeting to be held on 21st May, 1981, etc. dividend will be ped on 20sh May, 1981. For transfers must be lodged with the Company's Registrar, Loyds Bank Linded, 1981,

The Coupen to be presented for the ab-direct set Lloyds Bank Limited, Registra Separtment, Issue School, 17. I Broad Street, London EC2N YAU, at the tree clear days for examination, or in the surpenderned through MM. Laz Freres, Paris.

By Order of the Board.

G. J. OKELL.

PUBLIC NOTICES

BERKSHIRE COUNTY COUNCY. MUS 510m due 11.5.51 issued 12,3.51. Average 597.14. 537m applications. \$25m out-GREATER LONDON BILLS 25m Bills issued 12.3.81 metarins 4.5.81 e 11.4910%. Total applications 4.45m. Bills outstanding £60m. OXFORDSHIRE COUNTY COUNCIL £100m million fills isseed 11th March 1861 due 10th less 1861. As million at 1131-64%, £5m at 111.%, £5m at 1172%. Applications ortalised £48 at 1172% Applications ortalised £48 million. Sits outstanding £01g million.

ART GALLERIES

BROWSE & DARBY, 19. Cork St., W1: 734 7984... DOOY STRASSER & JENNY GREVATTE.

Inland Revenue wins two appeals on tax avoidance schemes

THE INLAND Revenue won two appeals in the House of Lords yesterday on two cases relating to tax avoidance schemes provided by independent consultants.

Lords' unanimous decision in favour of the Revenue is likely to have a major impact on artificial transactions of a circular nature where there is no economic gain or loss, even though no part of the scheme could be said to be a sham. Lord Wilberforce, dis-

missing two appeals against

capital gains tax, said that both taxpayers—W. T. Ramsey, a company farming at Scotton, Lines., and Mr. Denis Rawlings, of Little Orchard, Church Lench, near Evesham, Wores., had bought ready-made schemes from specialists

"In each of the present cases, it is candidly—it inevitably—admitted that the whole, and only, purpose of each scheme was the avoidance of tax," said Lord. Wilberforce.

Although sometimes considerable sums of money were supposed to be involved, the taxpayer did not have to but his hand in his pocket. At the end of the series of operations in the scheme, the taxpayer's financial position was precisely the same as it was at the beginning, except that he had paid a fee and expenses

to the scheme's promoters. I had been urged on behalf of the taxpayers that courts had to apply tax laws strictly and correctly. It was gap there might be in the legislation.
"While the techniques of

tax avoidance progress and are technically improved, the courts are not obliged to stand still," said Lord. Wilberforce. Such immobility would lead either to tax losses which would prejudice other taxpavers or to congestion in

To force courts to adopt a step-by-step approach in considering such schemes would be a denial of the true judicial

Tullybelton, said each of the taxpayers had purchased complete, pre-arranged, schemes designed to produce a loss which would match a pre-viously-made gain, and which would be allowable as 2 deduction for corporation or capital gains tax purposes.

In those circumstances, the cent was entitled, and hound to consider the scheme as a whole, although the taxnayer would have been entitled to succeed on the separate point

Although large sums money were credited and debited to the taxpayer in the course of complicated trans-actions required to carry out the scheme, the mency was lent to the taxpayer at the beginning; in the case of Mr. Rawlings by Thun, a Jersey firm, and in the case of W. T. Ramsay by Slater Walker, a

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finance company. Lord Russell of Killowen Lord Roskill and Lord Bridge of Harwich agreed in dismissing the appeals.

Receiver to investigate NWIM cash whereabouts

MR. PAUL SHEWELL, of Norton Warburg Investment

He was given authority to investigate the whereabouts of assets or cash formerly held by. or to the order-of the company in trust for its investors. Mr. Justice Dillon also continued for three weeks an injunction restraining NWIM

from disposing of its assets. The judge was told by Mr. Michael Lyndon-Stanford, QC, for 41 investors who are suing the company, that it had been agreed to adjourn their action.

Meanwhile the liquidators of Coopers Lybrand, was yesterday NWIM, one of five Norton appointed by a High Court Warburg group companies put judge to act as Receiver of into creditors voluntary liquidation on Tuesday, would start legal proceedings for the administration of trust assets in the company's hands.

It was felt that that would

be a more convenient way of

handling the interests of the investors, said Mr. Lyndon-Stanford. At a separate hearing the judge granted Norton Warburg which also was put into liquidation on Tuesday, an injunction against Mrs. Carol

tax relief. He overturned a tax commis-Warburg, wife of the group's sioners' decision that the clothes chairman, Mr. Andrew Warburg. | had a dual purpose, professional

colouring

from work.

MISS ANN MALLALIEU, the and social, and therefore that nue's argument that such allowed tax relief on their wigs 35-year-old barrister yesterday their cost did not qualify for won her case for tax relief for relief.

Barrister wins clothes battle with taxman

clothes of the sober appearance However, he warned other barristers not to read too much required in court. She had claimed that her into his decision. Miss Mallalieu severe, black wardrobe made her had shown that she only wore the clothes at work. Other less look old and did not suit her barristers fashion-conscious She said she would not dream might often wear their dark of wearing old-fashioned black suits and dresses away from the dresses and white blouses away courts. Those clothes would

have a dual purpose. In the High Court yesterday Mr. Justice Slade agreed that Miss Mallalieu had plenty of other clothes, said the Judge. because Miss Mallalieu never She only bought her court wore her work clothes in her clothes because she would not private life, she was entitled to be allowed to practice without

> Judges could refuse to hear barristers if they were improperly dressed. So the reve

clothes here were not tax- and Gowns.
deductable because they fulfilled Miss Mallalieu said yesterday. It was not as if Miss Mallalieu

was a penniless barrister with an empty wardrobe. The judge said he realised his ruling might give rise to uncertainty among lawyers and

the Inland Revenue—but he stressed it had been reached on the merits of this one case. What mattered in all cases of

this kind was the purpose of the purchaser in choosing items against which tax relief was later claimed. Miss Melialieu had only one purpose, and that was professional, he added Barristers have always been

a basic human need did not that she hoped her fight would help men and women at the bar. She was working at Horseferry Road magistrates court today and was going on to her home in Oxford to celebrate.

Miss Mallalieu said she had a wardrobe of sombre working clothes which she loathed.

"If I did not work I would never be seen in anything but jeans or long dresses which I love," she said.

She had always claimed a nominal sum for working clothes from the collecter of taxes but then, she said, it was suddenly refused.

CONTRACTS

£6m generating plant for oil platform

GEC. GAS TURBINES has been awarded a contract worth over 26m for gas turbine powered electrical generating plant for the world's first tension leg production platform which is to be operated by CONOCO (UK) on the Hutton Field.

Two EAS-134 generating sets. using aero-derived Avon gas generators, will each supply up to 12,000 kW base load with a combined capacity for e sustained peak output in excess of 30,000 kW. For providing power for key services when the main turbines are shut down a 3,400 kW Ruston Type TB gas turbine generator unit is also being supplied by GEC Gas Turoines as main power supply contractor. Delivery is planned for the end of 1981.

The GEC Gas Turbines designed individual single lift generating module has been elected to provide self-contained

tion requiring a minimum of deck area, support structure and hook-up time on the platform. The gas turbines are designed to run on either liquid or gas fuel or on both fuels simultaneously. Initially this feature is necessary to permit start-up and running on stored liquid fuel until the process plant comes on line, when the generating sets will change over to the natural gas separated from the well head

Tayside Regional Council has awarded a £510,000 contract to BALFOUR BEATTY CON-STRUCTION (SCOTLAND) for the construction of the turret link main to St. Fillans and Comrie. The works comprise the construction of 21,000 metres of ductile iron pipeline varying in diameter from 80 mm to 300 mm, and including three service reservoirs and ancillary works. weatherproof top deck installa- The pipe laying, which will com-

mence in March 1981, is due for completion in 78 weeks. Balfour Beatty Construction is a member of the Balfour Beatty Group of BICC.

A El 6m Central Lancashire Development Corporation contract for industrial units at the Roman Way Employment Centre, near Preston, has gone to GEORGE WIMPEY AND CO., Bootle, Merseyside. The contract is for 12 nursery and six standard factories, ranging from 3,000 to 20,000 sq. ft.

Martiz UK, the UK subsidiary of a motivation and communic tion agency, has ordered an ICL ME29 computer system to replace an IBM System 3 computer. Total value of the contract for INTER-NATIONAL COMPUTERS, including software, is around

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BY ORDER OF THE RECEIVER AND MANAGER

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Business and assets of company specialising in supply of warp knitting nylon and polyester fabrics with annual turnover approx. £600,000.

Occupying freehold premises comprising over 12,000 sq. ft. Mainly single storey factory and offices. Leasehold premises also available if required, at Long Eaton, near Nottingham, 2 miles M1 (J25). Further details: P. H. Hanson

Walker Walton Hanson, Byard Lane, Nottingham Tel: Nottingham (0602) 54272 Also at: London, Mansfield, Melton Mowbray and Oakham

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Further particulars from: Receiver's Representative Tel: Eyemouth (0390) 50607 FOR SALE

Reply to Box G8978, Financial Times 10 Cannon Street, EC4P 48Y

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tial.
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Please contact: The Chairman, Box F1960, Financial Times, 10 Cannon Street, EC4P 4BY, or telephone 01-278.9635

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Modern well equipped 35,000 sq ft (approx.) **FACTORY** industrial Estate, South Wales (neer M4 Motorway) For details ring: B. Jones, 0792-50018.

OR SALE—Medium to heavy engineering workshop, sub-contract machining and fabrication. Seven miles south of Maschester and Close to MSS. Plant and factory 2500,000 m will self separately plus goodwill. Replies in confidence to Financial angles Discrete. Sec. C.5358.

EC4P 48Y Times. 10. Cannon Street, EC4P 48Y.

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IRON FOUNDRY WANTED Well established high duty grey iron foundry seeks interest in similar UK business.

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THE FINAL results of voting National Union of Public Em-

acceptance in the case of the offer, while six voted against.

second largest.

Delegates representing over majorities in the two large 2,000 workers in the South-West areas voting for the offer, a

region of the General and Muni- head count shows a narrow

cipal Workers Union voted 12 majority of members for the

BY JOHN LLOYD, LABOUR CORRESPONDENT

by manual workers in the water industry on a 12.3 per cent offer

has probably tipped the scales

in favour of its rejection in the

case of the largest union, and has given a tiny majority for

to 8 against the offer. Mr. Fred

Taylor, the regional official,

said all the branches which met

after the Budget had been

The GMWU's southern region.

which has not held a regional conference, is believed to have

obtained a rejection in adding

up branch votes.

strongly against acceptance.

Water workers split over offer

ployees voting yesterday — Wales and the North — voted

This means only two

NUPE's regions-London and

the Midlands-accepted the

In the case of the GMWU.

five regions-Northern, Lanca-

shire, Liverpool, East Mid-

lands and the South West-

have voted against; two-York-shire and the West Midlands-

have voted to accept; and one

-London-is split. Scotland has also accepted, though it bar-

overwhelmingly against.

offer-4,096 to 3,910.

BY NICK GARNETT AND KEN GOODING

ENIOR EXECUTIVES from Four teams are to begin feasi- unit. "We said we could lissan, the Japanese motor bility studies next month. deliver on that one," said Mr. roup which is considering the sanufacture of cars in the UK, net three leading union fficials this week and indicated hat the company would want a ingle bargaining unit in the roposed plant.

The meeting in London inolved Mr. Terry Duffy, presi-ient of the Amalgamated Union f Engineering Workers, Mr. loss Evans, general secretary if the Transport and General Vorkers Union, and Mr. Len furray, TUC general secretary. They were told Nissan had not decided yet whether to go thead with its project to build the first capable of producing 200,000 Datsuns a

ions for dockers to be sent

ofter a 24-hour strike.

some as they returned to work

As a result all cargo opera-

nandling league-were stopped

ndefinitely from mid-day yes-

erday, although cross-Channel

BY PAULINE CLARK, LABOUR STAFF

Parks.

TECHNOLE

Nissan was represented by

Mr. Masataka Okuma, vice president, Mr. Isamu Kawai, one ing directors who has been appointed to head the UK project, and two other senior relation officials who will work on the plants. feasibility study.

Mr. Duffy yesterday said the Nissan officials told them they would have preferred a single union in the plant. They had indicated, however, that they the next week-realised there would be con- Any revolutio straints on what they could do one-union structure.

It had also not decided where But the Nissan officials did say co-operation in meh a plant might be built. they wanted only one bargaining duction lines.

Lockout' worsens dock dispute

I'HE Southampton dockers' pay already sailed out of the port. refused to improve on a 7 per

After a speedily called con-

ference of local dockers' leaders in the Transport and General

Workers Union, shop stewards

could damage any prospects of

a quick resolution The dockers, on a £94.a-week

passenger ferry services were basic wage and earnings of dockers no opportunity to not affected.

The last of six cargo vessels programme of lightning strikes ing them for assurances on

staff has had on that resolve.

Mr. Britz said he believed

the banks were moving away

from their intention to stay

within single figures. Further

meetings between the Federa-

been fixed for this month.

Duffy. 'We said we could provide a single bargaining unit. " During the exploratory meetof the company's eight manag- ing Nissan had asked for, the company's officials expressed some worries about the labour relations record of UK motor

> Mr. Evans and Mr. John Weakley, AUEW executive member, are to travel to Japan today and are expected to meet senior Nissan officials there in

Any revolutionary changes in demarcation, for example, that in the plant on this issue be- the unions accept in dealing cause of the country's union with Nissan will almost cerstructure, Mr. Duffy said. As a tainly result in pressures on result they had not asked for a unions from other motor companies to give them equal But the Nissan officials did say co-operation in organising pro-

cent pay offer.
The British Transport Docks

Board in Southampton yester-

assurance from the port's 1,600 dockers that they would

resume and maintain normal

of the Southampton dockers

shop stewards committee, said

the employers had given

working, but had not received

Mr Ritchie Pearce chairman

day said it had asked for an

Print union opposes 8% rise

By Our Labour Correspondent

THE SOCIETY of Graphical and Allied Trades is to recommend that its members in national newspapers reject the offer of an 8 per cent pay rise made by the Newspaper Publishers'

This means all three big print unions-SOGAT, the National Graphical Association and the National Society of Operative Printers, Graphical and Media Personnel—have indicated opposition to the offer.

SOGAT will ballot its 4,000 in Fleet Street, and in offices of national newspapers in Man-chester, with the recommendation to reject.

Mr. Bill Miles, SOGAT's national officer, said yesterday: "If SOGAT members reject the offer, then I think that the NPA negotiations are finished. I think we will then have to make individual deals with the various newspapers,"

Several national newspaper groups—the Mirror Group, the Express Group, Times News-papers and The Guardian—are no longer part of the current round of NPA negotiations. Another group, News Inter-national, had said that if the 8 per cent offer was rejected, it would be prepared to match a 10 ner cent offer made by Mirror Group to some printers.

The unions' opposition to the 8 per cent offer is based partly on a feeling that 10 per cent is now the "going rate," and partly --especially in the NGA's case

The two regions of the gains separately. Observer men expect

BY JOHN LLOYD, LABOUR CORRESPONDENT

MR "TINY" ROWLAND, the of the Observer, Mr. David chief executive of Lonrho and the new owner of The Observer, has called in the print unions for a meeting on Monday.

No agenda has been agreed, but union officials are bracing themselves for demands for staffing cuts. Mr. owland has made it clear that he attaches great importance to the profitability of The Observer, which has lost money in recent years.

Negotiations on computerised typesetting equipment had been going on under the previous owners, and several problems had surfaced.

The former owner and editor

demand for staff cuts

next week.

accepted the offer.

Astor, ha sagain called for the sale of the newspaper to Lonrho by Atlantic Richfield, to be referred to the Monopolies and

There is no countt of GMWU

members or delegates available but a rough estimate by officers

last night put the final result

to take, a task made more diffi-

cult by the evident militancy in several areas. A common

view is that the expected results

of the Budget have increased this feeling, even in areas which

mittee meets today, and the executive meets toworrow. The

full trade union side meets

NUPE's water national com-

at a narrow rejection.

declared their results.

In a letter to The Times, Mr. Astor says the sale of the con-trolling interest to Lonrho was kept secret from directors and

He also says the business interests of Atlantic ichfield and Lonrho "are extensive, complex and politically sensitive; if they jointly owned the paper, the number of countries where The Observer would have to be editorially careful would be very

Miners set to ask for £100 minimum

BY CHRISTIAN TYLER, LABOUR EDITOR

THE MINERS' UNION con- the total value around 13 per The two smaller unions in the industry — the Transport and General Workers and the to adopt a demand for a 25 per cent wage increase from year. November 1, to raise the lowest But Agricultural Workers-have not basic rate in the industry to Officials of the big unions £100 a week. now have to decide what action

There will also be a movebalance of power in the Left's favour by changing the way voting is conducted by the 25man national executive committee of the National Union of Mineworkers.

Such a change would probably give the Left a majority on the executive and hense extra support for Mr. Arthur Scargill, Yorkshire area president, if he succeeds in capturing the national presidency in succession to Mr. Joe Gormley next year.

The shape of the NUM's autumn wage claim emerged yesterday when the still unpublished preliminary agenda for pose a wage freeze. the July policy-making con-ference was discussed by the executive.

Three big Left-led areas, Scotland, South Wales and Yorkshire, have tabled similar demands, for a minimum £100 miners.

Moderate areas have no substantive motion on pay Left. Northumberland, for example, looks likely to go through.

had a 9.8 per cent increase in basic rates, giving £80.85 mini-

ference this summer looks set cent for the 10 months from January 1 to November 1 this But one element in the Left's programme for wages will cause controversy, and is

already giving Mr. Gormley his far less certain of success—by annual pre-conference head-the Yorkshire area to shift the ache. This is their motions' insistence that if the wage claim is not met in full a special oneday conference must discuss the next step.

Since the Left is better represented at conference than on the executiv, a design for a strike ballot would be more likely there.

It is impossible to assess yet what the mood of the miners might be next autumn. But Mr. Gormley did say yesterday that this week's Budget would stiffen resistance to low-wage settlements, and might eventually force the Govrenment to im-

Yorkshire's bid to break the Right-wing grip on the executive is a proposal that would give executive members the right to a "card vote" like delegates at the annual conferences. Because the Right has a week an salaried status for number of small constituencies. while the Left has only one, a card vote would favour the

merely seeks a reasonable two-thirds conference majority. settlement." Since the £100-a-week demand was also last moderate Nottinghamshire area year's conference resolution, it is also seeking a rule change this year - to make a 55 per Since then, the miners have cent majority sufficient. If that were carried, it would smooth the way for Yorkshire's change mum, plus increased output this year, or more probably bonus money which might make next.

Budget 'boosts hopes'

lispute, which has disrupted Three more cancelled arrange-argo handling in the port for ments to call at Southampton

bree days, worsened yesterday and were diverted to other when employers issued instruc-

dons in the port — Britain's said they viewed the decision dath biggest in the container as a lockout and warned that it

nit by the dockers' stoppage had last Tuesday after employers

BY NICK GARNETT, LABOUR STAFF

MR JACK BRITZ, general Budget and resented by the secretary of the Clearing Bank banks—and the threat of indus-Union, said yesterday that meet- trial action by BIFU computer ings of his members in the past two days showed the Budget had increased pay expectations among clearing bank staff, who were now seeking rises at least in line with the retail price

The English clearing banks, which had offered 8.5 per cent. to their 180,000 clerical staff made improved pay proposals yesterday to the Banking, Insur-ance and Finance Union. The new proposals will be put to the CBU today.

Under Government pressure, bank chairmen had decided to try to keep pay increases this year in single figures. It is unclear, however what effect The union

One-day rail strike planned

By Philip Bassett, Labour Staff

third of the region's services muter stations, proposed in new

tion of London Clearing Bank Employers and the unions have Branches of the train drivers' BIFU has been balloting its members at Lloyds' computer centre, Sampson House, London, and at Barclays computer force.

centres in Gloucester and Wythenshawe, Cheshire, over their willingness to take industrial action in pursuit of RPI-The union is taking the lead the drivers from striking. It is —on a determination to secure not known whether drivers in an extra week's holiday in an the new windfall tax on bank in drawing up contingency the other two divisions will join attempt to curb rising unemploy-profits—announced in the plans for industrial action. the proposed action.

normal working.

TRAIN DRIVERS on British Rail's Southern Region are warning of a one-day strike, which could affect more than a over cuts in services and the closure of some London com-

union ASLEF in the south-western division of Southern Region, the largest of its three divisions, have decided on a strike on June 1, the day the new timetables are to come into

Southern Region yesterday said that every effort would be made before then to dissuade the drivers from striking. It is

Anglo American Gold Investment Company Limited

Preliminary Profit Announcement and Consolidated Balance Sheet and Notice of Final Dividend on the Ordinary Shares

Subject to final audit, the abridged consolidated income statement of Anglo American Gold Investment Company Limited and its subsidiary companies for the year ended February 28 1981 and the abridged consolidated balance sheet at that date, are as follows:

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It seems strange to us at Fiat, that an executive in the office doesn't necessarily look like one on the road.

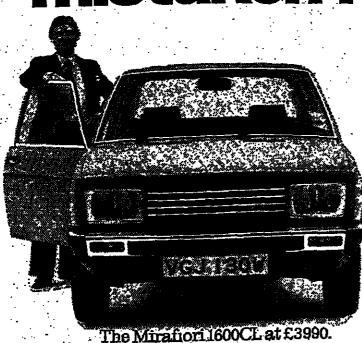
born and bred in Italy. Inside, every Mirafiori has cloth upholstery, a Voxson FM stereo radio

and an adjustable steering column. The 1600CL and Supermirafiori

Our solution is the Mirafiori. A range of seven cars, including two From any angle, a Mirafiori has the individual style to be expected of a car

also have five speed gearboxes for economical motorway cruising, while the Supermirafiori also has executive touches, like tinted glass, rear seat head restraints and sports road wheels.

The Cortina 1.6GL at £5081. Are your execs being mistaken for reps?



Telephone number.

than the Cortina 1.6GL. While the Supermirafiori1600 Twin Camis£1400 less than the comparable Cortina

Included in our price is our special Fleet Package. It offers a six year anticorrosion warranty and a one year unlimited mileage warranty, which for a small fee, can be extended for a further two years or up to 60,000 miles.

You also receive a Fiat Fleet Priority Card to ensure priority service and parts at any one of our dealers.

To find out more just contact our National Fleet and Leasing Manager. He'll give you details about all the cars and expert advice on leasing. And

he'll remind you of that old adage: in business, appearances count. "Price comparisons based on Fist Anto (LIO Ltd and Ford Motor Company's list prices at time of going to press, February 1981.

Name and position. Company____

FT/M/13.81. Great West Road, Brentford, Middlesex TW89DJ.

CONSOLIDATED INCOME STATEMENT 133 885 1 296 Investment income Interest earned . Surplus on realisation of invest-51 325 583 135 232 Administration and other 3 425 1 792 677 708 Prospecting and mineral rights... 8 005 4 659 Group profit (see Note 2) 130 573 Preference dividends Profit attributable to ordinary shareholders 314 953 127 948 Earnings per share — 1434.7 cents (1980: 582.8 cents) Dividends No. 65—(interim) of 550 cents (1980: 175 cents) per share No. 66—(final) of 600 cents (1980: 350 cents) per share 38 416 (31 712 76 832 115 248 12 000 252 448 Transfer to general reserve 302 448 127 248 Unappropriated profit, 5 907 5 D46 Adjustment for changes in 132 161 6 039 5 207 Unappropriated profit, February 28, 1981 18 544 5 907

1. In the light of the high gold price for the year it has been decided to retain a larger proportion of earnings than in recent years to enable the company to take advantage of investment opportunities and in the hope of minimising fluctuations in the dividend distribution

if last year's average price should not be matched.

directors' valuation - cents per share 2. No provision for taxation has been made as Amgold and its subsidiaries have computed tax losses amounting to R1 459 000 (1980: R2 082 000).

CONSOLIDATED BALANCE SHEET

Ordinary shareholders' interests

Distributable reserves

Preference shares

Represented by:

Current assets

Current liabilities

Net current assets

R2 231 800 000)

Ordinary share capital Non-distributable reserves ...

Preference share capital Preference share premium ...

Listed investments — market value R2 313 263 000 (1980:

Unlisted investments — direc-

Shareholders for dividend No.

Short term loan

Net asset value based on listed investments at market value and unlisted investments at

tors' valuation R21 457 000 (1980: R14 571 000)

1981

207 544

259 126

22 500

25 000

284 126

440 5 231

221 866

51 **093**

145 926

197 019

121 712

134 759

62 260

21 952

144 907

196 489

22 500

25 000

221 489

207 157

3 831

211 595

25 814

67 079

5 032 1 135

84 999

9 891

221 489

It is anticipated that the forty-fourth annual report of the company in respect of the year ended February 28 1981 will be despatched to members on or about April

A final dividend No. 66 of 600 cents per ordinary share (1980: 350 cents) for the year ended February 28, 1981 has been declared payable to shareholders registered in the books of the company at the close of business on March 27. 1981 and to persons presenting coupon No. 66 marked South Africa" detached from share warrants to bearer.

The ordinary share transfer registers and registers of members will be closed from March 28 to April 10, 1981, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about April 30, 1981. Registered share-holders paid from the United Kingdom will receive the United Kingdom currency equivalent on April 21, 1981 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency, provided that the request is received at the offices of the company's transfer secretaries on or before March 27, 1981.

The effective rate of non-resident shareholders' tax is' The dividend is payable subject to conditions which can be inspected at the head and London offices of the company and at the offices of the company's transfer

Head Office:

44 Main Street

March 13 1981

secretaries, Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg 2001, and Charter Con-solidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

Holders of share warrants to bearer are notified that the dividend is payable on or after May 1, 1981 upon presentation of coupon No. 66 (marked "South Africa") only at the offices of Barclays National Bank Limited, Stock Exchange Branch, Diagonal Street, Johannesburg 2001, South Africa—Union Bank of Switzerland, Bahnhofstrasse 45, Zurich, Switzerland, Credit du Nord, 6 and 8 Boulevard Haussmann, 75009 Paris, France and Banque Bruxelles Lambert, 2 Rue De La Regence, 1000 Brusscls, Belgium. Coupons must be left at least four clear days for examination.

Proceeds of dividends in respect of coupons marked "South Africa," may, at the request of the depositors, be converted through an authorised dealer in exchange in the Republic of South Africa, into any currency. The effective rate of exchange for conversion into any such currency will be that prevailing at the time the proceeds of the dividends are deposited with the authorised dealer in

By order of the board ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED Secretaries per D. M. Davidson

> London Office: 40 Holborn Viaduct London ECIP 1AJ

Divisional Secretary

Fiat Auto (U.K) Ltd., Fleet and Leasing Dept.

Thatcher stands firm against Tory critics of Budget

TORY BACKBENCH critics of the Budget were left in no doubt by the Prime Minister in the Commons yesterday that she expects them to be alongside her in the Government lobby when it comes under challenge from the Opposition makes the prime Minister in the Government lobby when it comes under challenge from the Opposition makes the prime Minister to take up my time fighting Labour the prime minister in take up my time fighting Labour the prime minister in take up my time fighting Labour take up my time fighting Labour the prime minister to accept the bill whe it comes."

Mr. Cyril Townsend (Con., Baxel

In almost strident tones, she underlined her own distaste for increases in taxation but argued that all those who had made such a course necessary by condoning greater public expenditure had no grounds for

Under challenge by Mr. Michael Foot, Opposition leader, Mrs. Thatcher defiantly de-clared: "If in fact I agree to expenditure I do not flinch from paying the bill."

much - publicised differences in the Cabinet over Mrs. Thatcher, who had individually make the means the Budget were gleefully earlier presided over a meeting available to pay for it.

exploited by the Labour leader of the Cabinet at No. 10 "I think nothing is worse

heart of the Tory Party. Con-servative Central Office is being

forced to sack one tenth of its

staff and take other drastic

economy measures in an attempt to stay within its budget.

chairman, told shocked staff

yesterday at the Party's head-

quarters in London's Smith Square that 40 out of the Party's

400 employees were being made

redundant. The remaining staff

are to get no pay increase this

year, and, in a further economy

move, the Party is going to make less use in the future of the

services of the advertising

The announcement of the cutback could hardly have come at

a worse time in terms of Party morale. The Budget has worried many Tory MPs and the news

of the redundancies at Central

Office-long regarded as one of

the Conservative Party's most

valuable election assets—will

just serve to underline their

Central Office has been caught

in a squeeze caused by increased

costs and falling revenue. Donations from local parties and

industry are expected to be well

down in real terms next year as

companies, themselves hit by

Without the redundancies.

Lord Thorneycroft told the staff

yesterday, operating expendi-

recession, look for

worries about the recession.

agency, Saatchi Saatchi.

Central Office is to

sack 40 employees

THE RECESSION has hit at the by £690,000. Since the staff bill

conomy measures in an attempt of stay within its budget.

Lord Thorneycroft, Party staff, Lord Thorneycroft said,

the staff.

BY ELINOR GOODMAN, LOBBY CORRESPONDENT

was thinking of Oppesition MPs who constantly get up and urge increased expenditure day after day and then attempt to deny the means to pay for it." Mr. Foot persisted. Was the Prime Minister repudiating the deductions drawn in reports in the Daily Mail and the Daily Telegraph that she had been

own Cabinet? Warming to this theme, he suggested that Mrs. Thatcher had been responsible for "the biggest leak of the year even from this leaky Cabinet."

referring to members of her

accounts for two-thirds of Central Office's costs, he said

he had no choice but to reduce

was that there would be no

Party would do its utmost to ensure that the "quality and scope of services" provided by Central Office were maintained

at a high level. But, he added:

"If there should be any dimi-nution the Party at large will

have to appreciate the reason

Department was merged into Central Office after the election.

there have been occasional murmurings of discontent. These have been aggravated by

the search for economies. In its

last published accounts, for 1979-80, the Party showed a deficit of £600,000, and the staff

were told that savings would

have to be made. The cost-

cutting exercise did not, how-

ever, produce the necessary

savings and earlier this month.

the directors of all the main

departments were told to con-

sider who they could make

affect all the services offered

The redundancies agreed will

by Central Office. They are on

top of the redundancies already

made by some local parties

redundant.

Since the Party's Research

reports that there would be a "massive revolt" by Tory MPs against the 20p increase in

What would the Government do if it could not secure a majority? he asked. The Prime Minister seized on this question to emphasise her

support for Sir Geoffrey Howe,

the Chancelior.

She explained: "The Chancellor and I and the Government have a problem in that expenditure having already been agreed, most of us accept. that if we have agreed the bill which we have to pay, we must that she had watched Mr. du Cann on television earlier and thought he had been "excel-

Clearly pointing to the course she expects all Tory MPs to follow she expressed: "He said ing in mind the ever rising level of unemployment, there he was going to back the Budget was a need for a programme of national economic recovery along the lines spelled out by Mr. Edward du Cann, chairman of the Conservative backbench all the way—as one would Mr. Foot returned to the attack by asserting that the increased taxation imposed by

1922 Committee, when he spoke the Budget amounted to a direct betrayal of the promises which in the Budget debate on Wedenabled the Conservative Party Mrs. Thatcher pointed out that public expenditure was not being restricted but was actually expanding.

As the Chancellor had made to win the last election. When Mrs. Thatcher began to reply by recalling that the last

Labour Government had raised clear there would be an increase in public expenditure in real the basic rate of income tax to 35p, she was halted by angry shouts of "you're in charge now" from Labour MPs. terms next year and she was at a loss to know how this could be deduced to be re-Mr. George Thomas, the Speaker, rebuked the inter-

The Prime Minister added rupters with the comment: bat she had watched Mr. du "The Prime Minister should not ann on television earlier and fight to be heard—she has a

right to be heard."
Rallying to the Prime.
Minister's support, Mr. Peter
Rost (C. Derbyshire South
East), said the "doom-mongers
and critics" around her should be reminded that if interest rates and inflation were to come down further, there must be a far more determined effort to cut Government borrowing and wasteful public spending. Mrs. Thatcher answered: totally agree."
'In a final thrust Mr. Foot

unsuccessfully proposed that the entire committee stage of the Finance Bill should be taken on the floor of the House -normally the major part of this stage is dealt with by a Standing Committee so that all MPs have an opportunity to vote against the increased taxes to which they were opposed...

Jenkin in row on plan to charge foreigners for NHS treatment

BY JOHN HUNT, PARLIAMENTARY CORRESPO

MR PATRICK JENKIN, Social offered that kind of service

pay negotiations.

There were protests from the Opposition and from Conserva-tive backbenchers that the statement on foreign visitors should tinued debate on the Budget. Mrs. Gwyneth Dunwoody.

Labour's Shadow Health went in pay Whether or not the Minister, said the proposal "will planned growth and improve-do enormous damage to the ment at the service communed do enormous damage to the goodwill normally shown to this country by other nationals." She also wanted to know

whether the decision to know made with the agreement of the Foreign Office. On this point, Mr. Jenkin replied rather ambiguously: "An announcement of this sort cannot be made unless it has the agreement of the Government as a whole. That is axio-

The charges will apply to people who are not ordinarily resident in the UK, but free outpatient freatment will continue for them at accident, emergency and casualty departments. Visi-tors will also remain entitled to free treatment under reciprocal health arrangements with other countries and under the EEC

those who have come to Britain

by October 1 at the end of the tourist season. Mr. Jenkin made insurance to cover their stay.

the NHS was under pressure, it NHS employees should be able was not right that people from to look to a pay system which overseas should be entitled to offered the prospect of fair use our health service free of treatment relative to the rest of charge: No other country the community.

MR PATRICK JENKIN. Social Services Secretary, was the centre of a Commons row yes terday when he announced that regulations are being introduced to charge foreign visitors for treatment under the National Health Service.

The proposal is expected to save the NHS £5m a year.

Mr. Jenkin also gave a strong warning to NHS workers that they must keep within the oper cent cash limits in their current pay negotiations.

There were unotests from the Mr. Jenkin & Rooker Landura.

Mr. Jest Rooker Landur's social services spokesham called for a fresh statement to be made early next week so have been made without warn. MPs could cross examine Mr. ing in the middle of the con- Jenkin on its announcement tinued debate on the Budget. Mr. Jenkin told the House

> bargaining. He said NHS staff had received very considerable pay increases under the present Government. The £4bn pay bill at March 1979 had risen to £6hn this month. This was well shead of the rise in prices.

would depend on sensible pay

In the coming financial year, 1981-82, the cash limit was 6 per cent for pay and 11 per cent for non pay factors. Within the 6 per cent the Whitley council would have to determine the levels for about 20 groups within the NHS.

I recognise the difficulties in these negotiations," said Mr. Jenkin. "But I cannot stress too strongly the need for pay settlements to be reached within Changes will not be made to the limit of the pay factor,

to settle nor to some interant result will be that higher pay workers and people who have will eat into the money provided for better services. The Governstayed here three years, for better services. The Govern-Consultations will take place ment wants pay settlements that on the possibility of other are fair to the staff but they exemptions and it is toped the must also be fair to the com-regulations will come into force munity as a whole which has to bear the cost."

In the long term he did not it clear that after that date, think that pay bargaining in the visitors should take out health public sector could be left entirely to the rigidities of cash He said that at a time when limits. As with the civil service,

"I think nothing is worse strictive.

Mr. David Howell, Energy Secretary, Sir Keith Joseph, Industry Secretary, and Sir Michael Havers, Attorney General, leave Number 10 after the Cabinet meeting yesterday

No cut in benefits for pensioners, widows

PENSIONERS. WIDOWS and all sources of income, including for pensioners aged 65 or over. in this case, other social security bene- the basic State pension. Legal The tax allowance is replaced. However, ficiaries will not have their and General Assurance, the by a higher age allowance— scheme in 19 payments exceed the tax ments a month to pensioners. threshold, Mr. Patrick Jenkin, Secretary of State for Social

Services, said yesterday.
Old age pensions and other But there is no arrangement at which have found they can no deduct tax at source, as with amount involved is small. ture for 1981-82 would have longer afford to employ an the PAYE system.

below the tax threshold so there is no tax liability: Retired persons receiving an occupational pension have the tax deducted under the PAYE system by their previous employer, or the a week.

payments cut through tax largest pensions company in the deductions because their annual UK processes over 100,000 paypayments exceed the tax ments a Sir Geoffrey Howe announced

pension and other social security benefit increases in the Budget but failed to increase long term social security benetax allowances. As a result fits are subject to income tax single women pensioners under 65 and widows over 50 will present for the Department of receive benefits greater than Health and Social Security to their tax allowances. But the

this has no effect. these women will receive in the The level of state pension is year 1981-82 amounts to £1,458, while the single persons allowance is only £1,375. Thus the beneficiary should pay tax on effectively pay this tax, since this rises to around £35.45. The £83 of income, amounting to it will be allowed for in annual payments of State pen-£24.90 in the year—nearly 50p the PAYE calculations. The sion are now getting close to the

The tax allowance is replaced However, the new State

it will be applying tolerance to beneficiaries receiving only the State benefit. A similar assur-ance was given in 1976 when such a situation could have arisen in the Budget of that year. But otherwise the Revenue Those retiring after April 6, has not had to apply tolerance 1980, will get a maximum The total amount of benefit to State pensions in recent earnings-related pension of £5.37

However, beneficiaries receiving an occupational pension as well as the State benefit will Revenue confirmed that the current single person age allow-This liability does not arise tolerance will not be applied ance.

Liberals at Westminster

pointed out yesterday that while

constituency parties were free

to make whatever arrangements

they chose at local or regional

level, no formal arrangement

employees. Those not getting powers to waive the collection such a pension from their of small tax sums known as a tolerance. And it has confirmed State. The build-up to full entitlement is spread over 20

But at some point in the future people refiring will be getting pensions from the State above the tax allowance level. pension of £27.15 for a single person making a total weekly pension of £32.52. In November

appeal for

pay policy

By John Hunt,

Social Democrats,

APPOINTMENTS

BICC director of electronics

Mr. G. C. Pope is to join BICC on April 1 and will become a cirector of BICC Industrial Products and group director (electronics). Mr. Pope has been group managing director, Advance Electronics, and group vice president of Could Inc. vice president of Gould Inc.

Mr. Paul M. Creedon has joined the Board of ARAN ENERGY as financial director. He has been associated with Aran as secretary since 1975, and he joined the company on a full-time basis early in 1980.

Two non-executive directors have been elected to the Board of ATLAS COPCO UK HOLD-INGS. They are Mr. E. Broawer, managing director of BP Nutrition, who recently stepped MR. WILLIAM RODGERS (Lab., Stockton) making his first major Commons speech as one of the new Social Democratic group, last night called for an incomes policy and made it down as non-executive chairman of the supervisory Board of clear that he was sceptical of Atlas Copco Nederland b.v., and Mr. A. E. Wernly, previously with the BICC Group. They also join the Board of Atlas Copco (Great Britain), the group's UK sales company. Mr. Wernly has any plans for further national-Mr. Rodgers was speaking in the Budget debate on behalf of the group of 12 MPs who have also been elected to the Board of Atlas Copco (Manufacturing). declared themselves for the The appointments have been He thought it was nonsense

made following the retirement of Sir John Coulson and Mr. R. H. Dolton. istic incomes policy could be successfully imposed as a single solution to inflation. Mr. Michael W. Hilton has been appointed managing director of ENGLISH NUMBER-ING MACHINES, part of the Rank Organisation, and will take But it was also naive to pretend that a Government could survive without a strategy for up his new position on March 16. Mr. Hilton was formerly

"This should be said loud and clear by any political party seekmanaging director of Richard ing to become the Government Carrett Engineering. Britain," he said. It should not be ducked because of the Mr. A. S. Altken has been

He deplored the Conservative Government's obsession with selling off parts of the public

to believe that a rigid unreal-

appointed by BRITISH TIMKEN to the newly-created position of director, personnel and logistics; Mr. G. V. Rosser becomes general manager, manufacturing operations; Mr. G. F. Foale is the new manager. Duston bear-ing plant; and Mr. R. J. Howes takes over as manager, Daventry bearing plant.

Mr. Donald Yetman has been appointed managing director of ARBUTENOT ASSURANCE CONSULTANTS in succession to Mr. Philip A. Legg.

> Eollowing the formation of the international Icore Electrosys-tems Division by SUPERFLEXIT GROUP, Mr. Peter Hillier has been appointed managing director of Superfiexit-Icore and Isoflexit-Icore.

Mr. F. H. East has joined the Board of LASER ENGINEER-ING (DEVELOPMENT) as a consultant director.

Mr. John Sangster, managing director of Alupack, has been elected chairman of the ALII-MINIUM FOIL CONTAINER MANUFACTURERS ASSOCIA-TION. Mr. Roger Franklin, general manager of the container division, Star Aluminium Com-pany, becomes chairman of the

association's publicity commit-

Mr. Richard Bradley, director of Save and Prosper Investment Management, has been appointed a director of EXCO SECURITIES (1979).

Mr. Leslie H. Bond of the Rank Organisation has been appointed to the Board of SOUTHERN TELEVISION.

Mr. R. T. Elliot has been appointed marketing manager of SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY. He succeeds Mr. W. H. Lawson, who ecomes pensions actuary. They both remain members of the assistant executive. Mr. M. R. Jackson has been made property manager in place of Mr. Elliot.

Mr. Lewis Rudd has been appointed to the new post of controller of young people's programmes for ATV from April 1. He is at present assistant controller of programmes for Southern Television

The following appointments have been made to the board of MICOM BORER, of Reading: Mr. Ken Baynton (technical), Mr. Peter Dann (financial) and

Mr. Russ Dopson (sales). Mr. John B. Walters has been appointed managing director of the domestic engineering divi-sion of PEERLESS, of Birming-

He was formerly with

Mr. F. J. Houghton, joint managing dicetor of J. & J. DYSON and chairman and managing director of one of its major, subsidiary companies, Pickford Holland and Go is to retire on March 31

NOTICE TO HOLDERS OF

KAO SOAP COMPANY, LTD.

FERCENT CONVERTIBLE BONDS 1992

Pursuant to Clause 7/83 and (C) of the Trust Deed dated 17th August, 1977 under which the above Bonds were issued, notice is bereby given as follows:

1. On February 26: 1981 the Board of Directors of the Company resolved to makes tree distribution of shares, of its Common Stock to startholders of record as of March 31. 1981 in Japan, at the cate of I new sharefor each 10 starts held.

2. Accordingly, the conversion price of the Bonds will be adjusted effective immediately after such record date. The conversion price is reflect prior to such adjustment is Year 1892, 20 per share of Common foots, and the adjusted conversion price is Year 480, 20 per share of Common foots, and the adjusted conversion price is Year 480, 20 per share of Common foots, and the share of Common Stock.

KAO SOAP COMPANY, EXD. By: The Bank of Tokyo. Trust Company as Trustee

Dated: March 13, 1981

The Republic of Panama Election pact worries Westminster MPs Rodgers in

Social Democrats.

BY MARGARET VAN HATTEM, LOBBY STAFF

THE POLITICAL realignment of an embarrassment to them.

U.S. \$70,000,000 Floating Rate Serial Notes due 1990

CORRECTED NOTICE

For the six months 27th February, 1981 to 28th August, 1981

In accordance with the provisions of the Notes. notice is hereby given that the rate of interest has been fixed at 17% per cent. per annum, and that the interest payable on the relevant interest payment date, 28th August, 1981 against Coupon No. 6 will be U.S. 5903.68.

> The Industrial Bank of Japan, Limited Agent Bank



Allied Irish Banks Limited

INTEREST RATE CHANGE

Allied Irish Banks Ltd. announce that with effect from close of business on 11th March 1981 the Base Rate for advances is reduced from 14% to 12% per annom

Allied Irish Banks Limited, 64/66 Coleman St., London EC2R 5AL.

هكذا من المثمل

cratic Labour Group to fight the May 7 county council elections. The Council for Social Democracy, which left the Labour Lord George Brown, the SDA president, would lead the campaign with a "whistle-stop" Party last month and plans to Democratic Labour Group, which is closely asso-

form a new party well before Easter, does not intend to play any part in these elections. However, the Social Democratic Alliance, a splinter group expelled from the party last year, may prove something

precipitated by the Labour split Mr. Douglas Eden, the SDA yesterday showed signs of secretary, announced yesterday slipping beyond the control of Westminster-based Liberals and that he would contest the GLC elections in Islington South and Finsbury against Mrs. Frances, Representatives of both sides are understood to be somewhat Morrell, a prominent Labour Left-winger closely associated dismayed by the announcement with Mr. Tony Benn. The SDA was also planning to field candidates in many other counties and would

yesterday of formal electoral arrangements between Liberals. members of the Social Democratic Alliance and the Demoannounce a full list after nominations closed on April 6.

ciated with Mr. Dick Taverne, the former Labour MP, is reported to have agreed to cam-paign with the Liberals in

existed at national level between the Liberal Party and either of these groups. Both the Liberals and the Social Democrats are understood to be extremely reluctant to become too closely associated with the SDA, which is regarded as being well to the Right of the Liberal/Social

Democrat mainstream. However, the Social Democrats, who are determined to provide the grassroots base for the new Social Democratic Party, appear keen to contest the county council elections as

widely as possible to establish Lincoln for the May elections, their presence

Labour to seek Terrorism Act review

BY ELINOR GOODMAN, LOBBY CORRESPONDENT

THE BIPARTISAN policy over Northern Ireland looks like coming under strain next week, Prevention Terrorism Act comes up for its annual renewal. The Opposition is putting down a motion calling for a review of the Act and the Government has so far seemed reluctant to accede to their

Even if the request is not granted, the official Opposition line will not be to vote against the renewal of the Act. But it could lead to a row oper Northern Ireland, which until William Whitelaw, Home Secretary, ma ytry to meet some of Labour's specific points

The Prevention of Terrorism Act was introduced in 1972 by now both parties have tried to relation to terrorist suspects, avoid. For this reason, Mr. and because it curtails the civil

the then Labour Government as a temporary measure. It gives

the police special powers in trade unions. rights of suspects, it has always worried some sections of the

Company 'buy own shares' rules published BY RAY MAUGHAN

THE GOVERNMENT has published the clauses it is introducing into the Companies Bill to allow companies to buy their own shares.

The clauses, tabled for the Bill's Committee Stage in the Lords, apply to purchase of listed shares on the Stock Exchange, and through offmarket transactions,
Described by Mr. John
Biffen, the Trade Secretary, as

"the last piece in the jigsaw of the Companies Bill, the clauses have been designed to enhance flexibility of investment in small companies. Sir Geoffrey Howe, the Chancellor, affirmed the Govern-

ment's commitment to the extra

clauses in his Budget speech, though he added that "corre-

sponding changes are needed in panies Act 1948 that companies

the present tax structure to may issue only redeemable help with a number of prob-lems arising in small and family businesses." He has accordingly asked the Inland Revenue to prepare a Green Paper this summer which

is expected to form the basis of legislative changes next year. The changes are likely to centre on Advance Corporation Tax and Income Tax liabilities borne respectively by the com-

pany and an investor when a sharebolder sells shares to the company. The clauses enable companies, if authorised by articles of association, to issue redeemable equity shares, thus removing the restriction in the Com-

preference shares. Redemptions are to be made

only from distributable profits or the proceeds of a fresh share issue, but the clauses do provide for a company to redeem shares from its existing capital in where its distributable profits and new issue proceeds are not adequate.

The clauses give authority for share purchases on the Stock Exchange, or where applicable on the unlisted securities market. Such transactions are to be authorised by shareholders in general meeting by a resolution specifying the maximum number of shares to be acquired and the maximum and minimum

Where a company transacts a

purchase otherwise than on recognised stock exchange, a special resolution of shareholders will be required for authorisation on which votes attaching to shares to be repurchased may not be voted. Companies will be required to deliver to the Registrar particulars of purchases of its own shares, and to retain for inspection any contracts of purchases for 10 years.

The Government has tabled clause requiring companies which redeem or shares out of profits to create a capital redemption reserve, which will be transferred the amount by which the company's issued share capital is diminished on cancellation of the shares redeemed or pur-

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THE MANAGEMENT PAGE

Where family business is blooming

Stella Shamoon examines the expansion plans of a famous Jewish food emporium

sine for his sandwiches. Elizabeth Taylor and Richard Burton had them fetched to the Dorchester in a taxi. At the Arab Israeli peace talks in London, both sides breathed garlic fumes at each other after lunch. In each case the source of sustenance was Bloom's, the family run kosher meat product manufacturer and owner of the famous Whitechapel restaurant in London's East End - which counts Lloyds underwriters and Michael Foot among its regulars. Such is the irresistible lure of Bloom's salt beef sandwiches and other specialities that even Arabs in Palestinian headdress have been spotted eating at the restaurant.

M. Bloom (Kosher) and Son

is not in the same league as those Jewish-run businesses which have been the cornerstones of great empires, such as Great Universal Stores, Marks and Spencer. Sears and Land Securities. But its mind is decidely on expansion.

The main growth is expected to come from manufacturing. which currently accounts for half Bloom's £2m turnover. Sales to freezer centres of cooked and uncooked kosher meat are projected to rise steadily as are shipments to the food multiples where the "speciality" appeal of Bloom's

year-old Michael Bloom, the factory at Plaistow, also in the East End, receives regular orders from virtually all the food multiples and from Bejam, where Bloom's has penetrated with an expanded range of excitingly packaged frozen foods. The only major exception is Marks

and Spencer, which wanted too name. Anyway, Michael didn't Bloom's Whitechapel shop much production and "St. want it. He says to me, Mum, window.

Michael," rather than Bloom's, we've got a great name and a The restaurant seats nearly on the packs.

The idea is to break into the speciality food market — not just as kosher food producers, but as makers of specialities with mass market appeal. The product line is still small—some 12 packs in frozen foods and 11 lines in tins — but with the vacuum packed ranges of salamis and sausages, the display is decidedly blooming.

Fast food, Michael Bloom's and sausages. Fast food, Michael Bloom thinks, would be another promising avenue for expansion.

Ask Michael Bloom to project growth for frozen foods and he shrugs: "This is a feel business. We don't sit down and work out growth projec-The figures are all in my head. A customer rings and has only to ask. I hardly ever say no. There is always a price at which you can make it work." A computer, christened Martha," is at hand to help.

Fingernail inspection

If there is one person who is more impressive than the dynamic young princeling in this Jewish business dynasty it is his mother. Mrz. Evelyn be genuinely united and inproducts gives it a unique Bloom, glamorous grandmother volved in this business. We entree in a fast-expanding field. and wife of Sidney, whose never pushed our children to Run by "son of Bloom," 33- father Morris Bloom, a sausage join us; they just wanted to—

great business here.

"When they wanted to take us over they said there was huge untapped potential in this company," says Mrs. Bloom.
"But if we expanded all over the place we would be too stretched—there aren't enough of us to go round." And custo-

family member minding it, and the company's board is com-posed of family, with a profes-sional accountant, Michael Kallenberg, as finance director. Mr. and Mrs. Bloom are in charge of the restaurant in Whitechapel, while Mrs. S. Malin, Sidney Bloom's sister, looks after the smaller Bloom's restaurant in Golders Green, north-west London Michael Bloom and Michael Kallenberg —friends since childhood—are responsible for production and sales from the factory.

The family and company, headed by chairman and joint managing director Sidney Bloom (whose son, Michael, shares the managing director role), knit together cohesively in management. "It isn't always like this in family firms," says Mrs. Bloom. "We are lucky to

quoted hotels company three or a necklace with "I love U agents, for Bloom's does not four years ago," she says. "But Mom" blazoned across it. She believe in the "trunk" system we were worried about our is the PRO par excellence at of pooled tips.

130, and scores at least five sittings for lunch, Sunday to Friday (closing for Sabbath from early afternoon on Friday). There is also a takeaway counter. The efficiency of the waiters is matched on'y by that of the eaters, devouring with gusto lusty portions of salt beef, viennas, such Eastern European specialities as Gedempte Meatballs (stewed in vegetables), Kreplach (pan-cakes stuffed with mest), and stuffed neck.

As Sidney Bloom says: "You don't have to be a Chinaman to enjoy rice." The hotchpotch of clients has comprised a majority of non-Jews since the demise of the "shmutter" (rag) trade took many Jewish traders away from the area.

Mrs. Bloom recal's how she once spotted in the queue perhaps her most famous Jewish customer, the late Charlie Chaplin, with his wife Oona ("I was horrifled") and thus started a long friendship involving the control of the contr involving Bleom's regularly exporting salt beef, complete with pickled cucumber, and rye bread, to the Chaplin resi-dence in Switerland.

Business dynasty

has taken up the challenge of Bloom's future. "We almost agreed to a takeover from a quoted hotels company three or four years ago." she says. "But we were worried about on her own, helps out too.

A slim, elegant woman, Bloom inspects their uniforms and fingernails each morning), they operate almost as free agents, for Bloom's does not her own, helps out too.

A slim, elegant woman, Bloom inspects their uniforms and antique development for the firm and promises big growth, as does not her own, helps out too.

A slim, elegant woman, Bloom inspects their uniforms and fingernails each morning), they operate almost as free agents, for Bloom's does not her own, helps out too.

A slim, elegant woman, beloom's pristine white jackers (Mrs. Cooked — for freezer centres is a natural development for the firm and promises big growth, as does not her own, helps out too.

A slim, elegant woman, and fingernails each morning), they operate almost as free agents, for Bloom's does not her own, helps out too.

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A slim, elegant woman, and fingernails each morning, they operate almost as free agents, for Bloom's does not her own to be a first own t

In order to speed up service the waiter "buys" the food from the kitchen at the full menu price. Twice a day he is "billed" for his orders and must produce the correct money from his pocket. Each waiter keeps what he gets in tips on the assumption that he receives what he deserves.

Bloom's Golders Green pros-pers mainly on evening trade. Here in this rich Jewish resi-dential "village" is where Michael Bloom sees big scope for the company's answer to McDonald's; a fast food operation with takeaway and deli-catessen in Bloom's own unique style, updated with exciting packaging perhaps. He has high hopes for a chain of such establishments, but says franchising is out; there would be too little control on quality, he argues.

The factory's labour force of 60 and half the company's total staff includes three full-time religious supervisors (there are more at the restaurants) sent by the religious authorities to supervise the koshering of the meat or poultry as it is brought in. The process has three stages: the flesh is soaked for half an hour, left in salt for an hour, and then riused off.

Not one scrap goes to waste; the best bits 20 to the restaurant and the rest is deployed as sausage meat and salami.

Both Michael Bloom and Michael Kallenberg see a big Bloom's good-humoured and future in modern style butchery for Bloom's. Pre-packed kosher

Evelyn Bloom: "We are lucky to be genuinely united in this business; this is our life"

ness," explains Michael Bloom, claiming that "we could go fur-ther in pre-packs, but we owe some obligation to our kosher butcher suppliers and don't want to compete too hard Nothing has been spent on promotion other than the cost

of design and art work of the new frozen packs, and free samples distributed to would be customers. "It took me three months to get the Bejam account; we are increasing sales to Sainsbury's. The best advertisement we have is the com-plete display of our products at Selfridges where our trading relationship goes back a long

way" he says.

"Credit controls are being kept very tight during this expansion. Since the shift of business from small kosher butchers, who paid cash on delivery, to food multiples and shops there has been a build-up

a few shops from which rent is earned, and the freehold of the factory, the Golders Green restaurant and part of the free-hold of the Whitechapel premises (with the family owning the rest privately). But all that gearing power goes un-tapped.

I know they say that borrowing is the only way to make a big fortune, but we don't believe in it—you've still got the worry of having to pay it back," says Mrs. Bloom. Tradiback," says Mrs. Bloom. Traditionally the company has shown not looking to sell, but there is looking a modest pre-tax profit—

a price for everything," he says currently some £50,000 a year, with worldly wisdom. "And it is But the Blooms freely admit a year high price for currents."

of credit sales. But our borrow making a good living." Their or credit sales. But our borrowing limits are not months, but weeks."

The company's balance sheet is almost entirely free of overdrafts, except on a very shorterm basis. Fixed assets include

making a good living. Their sales wery big pension schemes and company cars emphasize this. "We are very hasise this. "We are very hasise this. "We are very hasise this. "We are too and the company cars emphasize this."

"And the company is balance sheet almost a good living." Their sales were sales as good living. Their sales were sales as good living. Their sales were big pension schemes and company cars emphasize this. "We are very high pension schemes and company cars emphasize this."

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"And the company cars emphasize this care the company cars emphasize this care the company cars emphasize this."

"And the company cars emphasize this care the company cars emphasize this care the care the company cars emphasize this care the care th are not tycoons. We are too emotionally and perso involved in the business."

Her son is a little less con-servative: "We're not prepared to stay where we are: expansion into fast food in our own unique style; freezer centres and frozen food sales via mobile units are right for us. Not restaurants though. We could not stretch ourselves to another as staff is a big prob-

But the Blooms freely admit a very high price for our name, they enjoy "a good life and are adds his mother.

Business courses

Financial Skills for Profitable Marketing, Oxford, March 29-April 3. Fee: £300 (plus VAT) non-members, £250 (plus VAT) members of the Communication Advertising and Marketing Education Foundation. Details from Course Director, "Financial Skills for Profitable Marketing," Creative Marketing Partnership, 200 Keighley Road, Bradford

BD9 4JQ. Risk and Decision Analysis. London, March 26-27, Fee: £200 VAT). Details from 146-148 Cromwell Road, London BD9 4JU.

April 5-10. Fee: £500. Details from The Secretary, Management Programme, Brunel University, Uxbridge, Middlesex,

The Determinants for Electronic Mail, London. March 23-24. Fee: £275 (plus VAT). Details from Communications/ Information Systems, Regal House, Lower Road, Chorleywood. Rickmansworth, Hertfordshire WD3 5LQ.

Profitable Negotiation, Bradford. March 29-April 3. Fee: £310. Details from University Readford Management Centre, Heaton Mount, Keighley Seminar Services International. Road, Bradford, West Yorkshire,

W7 4EF.

The Data Comms Market in Business Presentations, Maiden-Western Europe, New York head. April 1-3. Fee: £270 (plus March 24-25. Fee: \$775. Details VAT) non-members, £255 (plus from Online Conferences, Argyle
House, Northwood Hills, Middle

of Marketing. Details from The ex, HA6 1TS. College of Marketing, Moor Leadership Development Pro- Hall, Cookham, Maidenhead, gramme, Uxbridge, Middlesex. Berkshire, SL6 9QH.

IRONIC IT may be, but small

While "first generation" firms are driven by one person's idea and enthusiasm, subsequent generations often end up continuing to exploit the first burst of innovation, but fail to follow it up with something new. Yet many such companies have the capacity to move into new areas once they have been given a bit of a prod or some

But can innovation be taught? engaged on a research project to find out what assistance is needed by small manufacturing companies, and to provide

companies generally manage to combine abundant innovation with a capacity for falling after the first few hurdles-vividly illustrated by the old adage of "rags to riches to rags in three generations."

new product areas. Dr. Parker's last major project

Can innovation be taught?

Nicholas Leslie reports on a small firms research project

vative effort but unsure how to go about it.

From his base at Ashridge Management College, where he has a research fellowship, and with the aid of a Department of Industry grant, he has to date sifted through more than 70 companies that were either referred to him by the Dol's Manufacturing Advisory Service or approached him directly. He Dr. Charles Parker, for many has visited 19 of them and is years the research and development director of Ferodo, believes it can. He is currently guided on how to break into

was a three-year study of larger

guidance to companies which companies that resulted in the are eager to increase their inno- publication of a set of "Guidelines for Product Innovation". Parker believes' that most

small firms are hindered in their attempts to innovate by a scarcity of resources—which are anyway concentrated on an existing product. But he under-lines their advantage of greater flexibility in decision-making. and the way they can shift emphasis or connect themselves to a new project when a new course of action looks promis-

Lnergy

He strongly believes that when a small company is in its " second generation " it will rely on one or two experienced people who need to be of " high ability and great energy"; all

that in the long run unless there is an adequate output of good engineers who go into smaller companies, more firms will disappear. "A lot of deaths of small companies are unnecessary. They have just not recruited the right people," he argues.

As part of his new project, Parker is trying to establish special guidelines that can boost the innovative capability of small companies. He sees those with particular problems as being the second, third or fourth generation companies; companies that are based on one product; and—more obviously—companies that are dependent upon declining markets or in decline

the Dol's eventual decision on now attached to Ashridge.

In manufacturing, he suggests whether or not to set up a permanient innovation advisory service as an addition to the MAS. In order to provide the widest spread of evidence he is therefore still looking for more cases to examine, and in par-ticular companies which themselves feel that they are urgently in need of help to boost their innovatory capability.

Equipped

In deciding whether to advise a small company on how it might approach product innova-tion; Parker has first assessed whether, even if given assis-tance, a small company will be equipped to take on a new product. In this process he has been assisted by Thelma Quince. until recently a member of the At the same time, the results small business unit at Durham of Parker's study will influence University Business School, and

visits by company personnel to workshops at Ashridge. But "our involvement is only as much as they want." The 19 companies he is

If a company proves suitable, he supplements visits to it with

examining engaged in activities as diverse as scientific instruments, micro-processors, paper and metalworking of various sorts-" it is in general engineering that companies are crying out for innovation."

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To the Holders of

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1977 and September 27, 1979, respectively, relating to the above-mentioned Bonds, notice is hereby given as follows:

A free distribution of Shares of our Company will be made to shareholders of record as of March 31, 1981 in Japan at the

rate of 0.15 Share for each Share held.

Dated: March 13, 1981

rate of U.15 Share for each Share held.

2. As a result of such distribution, the Conversion Prices at which the above-mentioned Bonds may be converted into Shares of our Company will be adjusted effective as of April 1, 1981. Japan Time, from Yen 382.6 per Share to Yen 382.7 per Share pursuant to Condition 5(C) of 6% Convertible Bonds Due 1992 and from Yen 526.1 per Share to Yen 457.5 per Share pursuant to Condition 5(C) of 7% Convertible Bonds Due 1994.



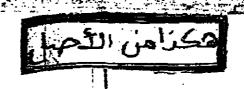
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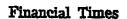
Parker's main problem is the length of his programme. He is financed only for a year which ends this August and that, he says, "won't be enough time."

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Don't expect it to be all love and roses at first. Like any lasting relationship it takes a little time before you discover how good it really is.

The remarkable CX. £6,179.

Cash ratio to be replaced: changed stress on money market management

The Bank of England said yesterday that the bank's cash ratio will be replaced by one whereby recognised banks and licensed deposit-taking institutions, in each case above a minimum size, will be required to hold cash balances on special non-operational, non-interestbearing, accounts with the Bank.

Although the precise basis of calculation remains to be deter-mined, this requirement will apply uniformly and under present arrangements would amount in total to the equivalent of not more than i per cent of eligible liabilities.

The 14 per cent cash ratio is observed by the London clearing banks. It has served as a fulcrum for money market manage-ment while also providing a substantial part of the resources and income which enable the Bank to carry out its general central banking functions.

The move to replace the cash ratio was foreshadowed last March in the Green Paper on monetary control.

The Bank said in its document Monetary Control: Next Steps, published yesterday, that once the cash ratio is replaced the London clearing banks will maintain on their ordinary accounts with the Bank of England such balances as are necessary for clearing purposes.

More generally, recognised banks and licensed deposittaking institutions who are customers of the Bank will continue to maintain balances on their ordinary accounts at the appropriate to business conducted over those

The rest of the document reads at follows:

As foreshadowed in the Background Note (of November 1980) the Bank is now placing greater emphasis in its money market management on operations in bills rather than discount-window lending. The Bank has only very rarely provided funds through the discount window since the end shadowed in the background of November despite the fact note, it is not possible to prethat on several days there have dict with confidence how banks been substantial cash shortages would adjust the amount and in the money markets.

Handling these shortages through the purchase of bills has been facilitated by the reduction in the reserve asset ratio on January 2 from 12} per cent to 10 per cent, which released for future sale to the Bank substantial amounts of to have regard to the Bank's like to discuss arrangements bills previously held, directly evolving prudential liquidity

or indirectly, as reserve assets. arrangements but these will operations in the size



Mr. Peter Cooke, head of banking supervision at the Bank of England—the man hehind the proposals on banks'

previously on bill rates. The Bank has abandoned the practice of quoting prices at which it will buy Treasury or eligible bills of over one-month to maturity and now responds to offers of bills for these longer maturities.

The market has adapted readily to these changes and the speed and ease with which it has been possible to move is

The emphasis in the Bank's open-market operations on transactions in bills (Treasury bills, local authority bills and commercial bills) means that there will remain a need for bill markets of adequate size and depth to provide the paper in which the Bank's operations will be conducted.

is abolished, as foreshadowed in the background composition of their portfolio of high quality liquid assets and what would be the effect of any adjustment on money placed with the discount houses, who are the main market-makers in

The banks will of course need

It is likely that considerable amounts of funds would be available to the discount houses. The banks would continue to benefit from the fact that the liquidity provided by these funds will be greater than that

provided by some other liquid assets, and from the fact that funds placed with the discount houses are capital certain whereas a holding of bills is But there is a possibility that the availability of such funds

might in practice, at least at the outset, not suffice to provide a market in bills of the size necessary for the Bank's openmarket operations. The Bank is concerned to ensure that this situation should not arise.

Increased reliance on openmarket operations in eligible ments commercial bills will require an adequate supply of these bills. In this connection the Bank has felt for some time that the present list of eligible names needs to be extended.

The present list consists broadly of the London and Scottish clearing banks, the members of the Accepting Houses Committee and the major British, overseas and commonwealth banks. It dates from a time when the Bank's superarrangements primarily concerned British banks.

Apart from being a British bank of the requisite standing, the main criterion for inclusion on the list was that the acceptor should have a broadly based and substantial acceptance business which commanded the finest rates in the market.

In recent years there have been major changes in the opportunities in their domestic Bank's supervisory arrangements and the number of foreign banks in London has limits on its holdings of any increased. The Bank has concluded that these developments should be recognised in extend- in the market. ing the criteria for eligibility.

to link the criteria for eligibility with the arrangements for ability of funds to the bill relation to its total business. markets.

Eligible acceptors have an interest in ensuring that the bill markets function efficiently, which complements the Bank's interest in ensuring that its efficiently. open-market operations can be conducted effectively.

The Bank would therefore which would incorporate a link between eligibility and an The Bank is also conducting permit greater flexibility over undertaking to make available, i initially, secured funds such a way that market factors quality liquid assets than the to the discount houses in such have a greater effect than existing reserve asset ratio a way as to help them fulfil

those and other bills.
The undertaking might be in the form of an agreed average discount houses, with a lower minimum level.

If it appeared in time that market became less important, the arrangements could, as seen fit, be progressively reduced in

During the later stages of the 12 per cent reserve asset ratio the amount of reserve asset call money placed with the discount houses totalled over £44bn. But the Bank judges that an appropriate assured average level of funds made available to the discount houses under the arrangements described above, to enable them to provide a sufficiently broad market in bills, would at present be around £3bn.

It would represent the equivalent of around 5 per cent of eligible liabilities of the major British and foreign banks if they were to participate in the arrangements Such funds placed with the discount houses would of course be regarded as high quality liquid assets for reserve asset ratio. prudential purposes.

On this basis, the Bank will, at its discretion, be willing to extend the criteria for eligibility to other recognised banks which have and maintain a bank's liquidity position. The broadly based and substantial paper described certain deficiacceptance business in the United Kingdom and which can command the finest rates in the market, provided, in the case of foreign-owned banks, that British banks enjoy reciprocal

markets. The Bank may wish to set particular name, which will take account of the bank's position

In the case of recognised But once the reserve asset considers that it would be right overseas banks, such limits will take account also of the bank's current level of sterling busiensuring an adequate avail- ness in the United Kingdom in

The Bank is also concerned that there should be adequate availability of funds to enable the gilt-edged market continue to function

The Bank will therefore wish to explore the possibility of similar arrangements being made to ensure that suitably secured funds continue as at present to be made available to the Stock Exchange money brokers (within limits set, as gilt-edged jobbers.9

Quality of liquid assets to be used as measure of banks' health

yesterday that it is removing the suggestion that banks should level of funds placed with the requirement from its proposals on the measurement of bank

liquidity. In a document entitled The such an undertaking was no Liquidity of Banks, published longer necessary or the intermediating role of the discount proposals on bank liquidity made in March last year, the Bank said the decision had been made in the light of extensive discussions and consultations over the last year on ways to improve methods of monetary

control. In assessing individual banks' positions, the Bank will monitor the quality of their liquid assets, which in part will depend on the arrangements for monetary control and changes made to these arrangements.

Deficiencies

linked to the Bank's latest paper on monetary control which addresses, among other things, the problem of ensuring an adequate supply of liquid assets for monetary control purposes following the abolition of the

The Bank said yesterday that the March 1980 paper suggested that it would be appropriate to form an overall view of each bank's liquidity position. The ences, which needed to be rectifield, in the Bank's existing tests of banking liquidity.

"Discussions with the banking system have shown a general acceptance of these pro-

The Bank said it "provides a basis for resuming discussions with the banking system on the prudential aspects of liquidity measurement and monitoring." Banks must be capable of

meeting their obligations immediate exposure to suddenly

ing cash or liquifiable assets and by arranging an appropriate profile of maturing assets.

In this context banks' obligations are mainly deposits at sight or short notice, deposits with fixed maturity dates and commitments to lend (including unutilised overdraft facilities). For each particular institution the mix of these obligations will

In the Bank's view, a bank's ability to meet these obligations rests on two essential elements:

i—Sufficient immediately available cash or liquifiable assets, subject to the qualification that marketable assets vary in quality in terms of the capable of being sold, which, in part will depend on the monetary control arrangements now being established and the method of their opera-

ii-an appropriate future profile of known cash flows, subject to the qualification that there may be shortfalls in practice if borrowers are unable to repay.

In addition, banks may derive some protection from their capacity to bid for deposits. This capacity and the cost of exercising it depend importantly on the individual bank's standing in the marketplace and on the general liquidity situation in the system at the time.

Prudent mix

The Bank's supervisory objective is to ensure that banks' management policies apply a ositions."

prudent mix of these different
The following is the text of forms of liquidity and that these the Bank's detailed discussion, policies are sustained at all

> The Bank regards a prudent mix as one which offers security of access to liquidity other than in exceptional market circumwithout

their role as market-makers in THE BANK OF ENGLAND said when they fall due or are called rising costs from liquifying measures the cash They can do this mainly by hold- assets or bidding for deposits. The Bank's approach to meeting

this objective is twofold. First, the primary responsibility for ensuring the liquidity of a bank rests on its own management. The Bank does not, therefore, seek to impose acrossthe board liquidity ratio norms, just as it does not seek across-the-board capital adequacy ratio norms, and thereby to supplant the exercise of judgment by bank managements.

Monitor

Instead, as part of its regular discussions with senior management, the Bank will require to be fully satisfied that banks have both prudent policies and adequate management systems to ensure that the poli-cies are followed; and it will. continue to monitor banks' liquidity management during the normal course of its supervision. In determining what is a prudent policy for a bank, the Bank will continue to take full account of its particular characteristics and situation within the banking system.

Thus, for example, the Bank will wish to examine the extent to which potentially immediate obligations' (deposits at sight and short notice and commitments to lend) should be supported by cash and immediately maturing or liquifiable assets and their appropriate quality; and the extent to which deposits with fixed maturity dates should be matched by assets with the same maturity dates.

continues to believe it neces changes to be made only sary and desirable to develop an acceptable and generally applicable basis for measure- Bank will seek to develop the ment of the overall liquidity of single comprehensive measurebanks. The Bank will provide a ment referred to above, which paper as a basis for further dis- would in due course become the cussion of this aspect. This prime basis on which discusmeasurement should relate to sions with bank's managements the total obligations and claims of their liquidity policies would of banks in a way which best be based.?

The Bank recognises that the development of a single combe reconciled with giving due weight to the particular cir-cumstances of each bank, but it believes it possible to achieve a common basis of measurement which may then be applied after due consideration to these ch cumstances.

The Bank's paper Monetary Control: Next Steps envisages the early abolition of the reserve asset ratio. This ratio is not a prudential ratio-and-has not been regarded by the Bank as such but, as its constituents are liquid assets, the requirement to observe it has had some relevance to the maintenance by banks of adequate levels of liquidity

The Bank proposes to proceed immediately to discuss with each individual bank the appropriate normal level of its holdings of assets at present required for the reserve asset ratio. These discussions may not have been completed when abolished as a minimum require.

Policy changes

The Bank therefore, requests in assurance now from all those institutions to whom the reserve asset ratio applies that they will discuss with the Bank in advance changes in their policies for the management of their liquidity and its composition !

Secondly, however, the Bank. The Bank would expect any gradually and after full consaltation. At the same time the

II. (ROS

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Streamlining the law courts

the English judicial system. This kept waiting for the judge. is heavily centred on London, and the small number of High cumbersome, slow-moving proexpensive that few people other than the very rich - or the legally aided very poor - dare go to the High Court.

There are, of course, the much cheaper County Courts, but they are pitifully poor relations of the provincial courts on the Continent of Europe, or of the State and Federal Courts distributed over the entire terri-tory of the U.S.

Little time

The flood of ill-prepared criminal prosecutions in the slow-moving trials keeps judges busy in the Crown Courts, leaving them little time for dealing with civil litigation in the County Court. The Lord Chancellor's Office suggested last year in a consultative paper that County Courts should be enabled to deal with actions in contract and tort — civil wrong — where the claim is up to £5,000, and in equity matters up to £50:000. Taking into account this would be quite a modést increase over the present limit of

£2,000 and £15,000. The Law Society is opposing these proposals. Although some think that in this it is influenced mainly by its London members, it has some arguments which point the way to reform. The most important shortcoming of the County Court procedure seems to be the impossibility of obtaining a default judgment in the ordinary summons procedure—a procedure which is

major civil litigation must go to long overdue principal sum had London. The plaintiff in the been paid in full prior to provinces can wait until a High adjudication. Restating this place of business on his circuit. Mocatta said that the law was Unfortunately, no-one can be "not satisfactory." Mr. Justice sure of his exact day of arrival. Parker called it "an indefen-frequently the judge is held up sible absurdity." Many more on his previous stop and arrives rules obstructing the business two or three days take. Two of courts tall into this category, obstacles, he has produced

† Indicates programme in

black and white

(Ultra high frequency only). 9.65 For Schools; Colleges. 11.25

You and Me 11.40 For Schools.

Colleges 12.42 pm Regional News for England (except

London). 12.45 News. 1.00 Pebble Mill. at One. 1.45 How Do You Do? 2.02: For Schools, Colleges. 3.20 O! Blodwen. 3.53

Regional News for England (except. London). 3.55 Play

6.40-7.55 am Open University

PARIS IS France but London, London barristers are asked to fortunately, is not Britain. The attend—the local barrister blessings of a decentralised, having little experience in comindependent; local government mercial law—and the barristers. are, however, not mirrored in parties and witnesses are all

On the third day the barristers get impatient; they are missing Court judges can manage the too much business in London. They get together and propose a cedure, only because it is so deal. As often as not, this is a case of an insurance claim, and the claimant has been waiting four years or more for his big day in court. When he is shown the piece of paper agreed between the lawyers he asks, quite rightly, why he could not have had the money four years

> The pressure towards quick settlement is greater in the U.S., where the client has only one lawyer to contend with and only real winners promise contingency fees,

> In London, by contrast, actions are allowed to simmer in solicitors' offices for years Many are settled or given up. but still too many come to trial after many years spent on "discovery' and other games, such as "particulars" and "better particulars." What justice can one expect from a trial taking place five, six, seven years after the event, particularly when it is a personal injury case?

> Courts can, at least, strike off actions for want of prosecution if the plaintiff is too dilatory, but after the recent House of Lords decision in Bremer Vulkan, no such hope exists in arbitration. Not even a High Court judge can now stop the sword dangling over the defendant's head when a fair trial is no longer possible.

Absurdity

One of the greatest obstacles to judicial reform of pro-cedure is the inability of the Court of Appeal to depart from simplest and most suitable for its former rulings. While no the collection of debts not such strict stare decisis binds denied by the debtor. Another American courts; English judges objection by the Law Society is have to go on giving judgments that the County Court judges are which they find regrettable. One not sufficiently experienced in such rule, incomprehensible in company law, bankruptcy, and these inflationary times, is that neither arbitrators nor the court This does not mean that every can award interest where the Court judge comes near his principle recently, Mr. Justice

A chance for enterprise

BY LORNE BARLING



Although the 538-acre site bears the stamp of industrial dereliction which is increasingly common in the West Midlands, the arrival of earth-moving equipment even before the scheme was fully authorised has been encouraging for those involved in the arduous task of establishing the zone.

Dudley.

Dudley was one of the last enterprise zones to be designated by the Secretary of State for the Environment, Michael Heseltine, and the borough council has had to move fast, conscious of the competition for investment from other zones, particularly those in assisted areas where incentives are greater.

up and that the zone will be earthmoving. fully operational by July, ready for a flood of investment which could be worth as much as its statutory lifetime.

Around half this investment is expected to be in the form in capital equipment such as was intended.

an important factor.

machinery for the factories. The potential benefits have not escaped the notice of local industry, which is well placed to supply steel and engineering equipment.

The landowners, within the zone, about 20 companies, have been obliged to sign an agreement to bring forward enough land for steady development. The largest are Glynwed, M. and W. Grazebrook and Round Oak Steel Works, which is jointly owned by Tube Invest-ments and British Steel. One site is owned by an active Midlands developer, A. and J. Mucklow, which bought it from Mr. Jack Edmonds, leader of the council shortly before the Dudley Council, believes the zone was announced, and is planning team has now caught already at work on

Although the council could have asked for a higher price for the land now, it is happy £400m over the next 10 years, not to be too involved. According to Mr. Roger Johnson, assistant director of planning. the council now wishes to step of factories, warehouses and aside and let development 20 construction work, and the rest ahead without interference, as

for the Black Country, since longer term Bilston to the north was "We won't regarded as the favourite, and

existing companies such as created. Glywed will use the incentives—such as the absence of Development Land Tax—to expand their own operations.

Much of the land involved—

such as some farm land owned by Round Oak—had already been granted planning permission for industrial development, but companies were inhibited from making use of it because of the tax aspect, Mr. Johnson

Moreover, the Blackrook Valey site chosen for the zone lies above the South Staffordshire coal seam (and some land is still subject to National Coal Board rights for open cast mining). Thus development on land scarred by disused mine the Minister is, however, a shafts and slag heaps is expen-matter of some doubt. sive.

This will of course, be offset by such as the 10-year freedom from rates, 100 per cent capital allowances for commercial and industrial buildings, and virtual zone, a depressed area which has freedom from planning suffered severely as a result of restraints. The council does recent redundancies at the not believe this will result in second-rate deevlopment, point- closure of the Marsh and area will far outweigh any decline.

Like other council officials, he ing out that companies involved was pleasantly surprised that must always think of the invest-Dudley was chosen as the zone ment value of property in the

We won't see a shanty-town development since we still have believes that the wide cross building regulations and section of land ownership was environmental health control powers to exert if necessary," There is little doubt that Mr. Edmonds says. He believes these owners will beneut sub- the scheme is the area's best stantially from increased land hope for the 1980s—as many as values, but it is also hoped that 10,000 new jobs could be

> Initial response to the zone has been has been encouraging, with more than 300 inquiries so far, but much depends on the enterprise of the developers, who must find dozens of new companies to occupy the planned factory space at a time when investment competition intense. The eventual document which

> will go to the House of Commons for approval will grant all forms of planning permission, with some restraints, such as the ban on more than 2.500 sq metres of any development being used for the retail sale of food, drink or clothing. Whether that will be allowed by

> The ban is specifically designed to prevent unfair compe-tition against retailers such as the Asda supermarket at Briarley Hill, on the edge of the

ENTERPRISE ZONE Baxter meat processing plant, detrimental effects on local There have also been com-plaints from manufacturing find it worthwhile to move such

Cradley

Heath.

DUDLEY

Another whether factory rents the zone will be pushed up to the extent that they offset the advantages of waived rates. There is little doubt that

uncertainty

other unpredictable effects will emerge, but most people concerned with the project are prise zones is; in a sense, being grateful for a chance to regenerate an area which Round Oak Steel Works and the stimulus they will create in an seemed destined for further

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Progs. 12.45, 3:15, 5:50. 8:25.
3: PRIVATE BENJAMIN (AA). Progs.
1:20, 3:35, 5:50. 8:10.
4: ORDINARY PEOPLE (AA). Progs.
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5: AIRPLANE (A). Progs. 1:00, 3:00.
5:00, 7:00. 9:00.

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Prince of Wales for Sandown

hopes to have sufficient steeplechases under his belt to make him eligible to ride in a Grand National, will be the centre of attention at Sandown today. He teams up with Good Pros-

pect, acquired to replace Alibar. Bookmakers are taking no chances with Good Prospect

RACING

BY DOMINIC WIGAN

this afternoon and the gelding -chosen by Nick Gaselee on the Prince of Wales' behalf-is a top priced 7-2 chance to

record his second success of the campaign in the Horse and Hound Grand Military Gold Cup. Although Good Prospect has never found his high-class hurdling form over the larger

THE PRINCE of Wales, who several smart performances in chases. Last season he Colonial Lad is now trained triumphed in Cheltenham's Kim by Fred Winter. Before his Muir Memorial Challenge Cup. winning comfortably from Mid-

> winning that event. He will be well served by this afternoon's three miles in testing ground and also by the stiff fences.

However, it has to be said that he looked an extremely rired horse when a remote fourth over a trip beyond his capabilities at Chepstow last month. There must be a serious question mark against his ability to find his best so soon after that energy-sapping foray.

Of Good Prospect's opponents. I have most regard for Colonial Lad. This eight-year-old could hardly be fresher. It has not run since beating Prestbury by 24 lengths in the Christmas Cracker Chase at Lingfield just

LONDON

Together, 200 After Noon Plus,

2.45 Racing from Sandown. 3.45

A Big Country. 4.10 Dr. Snuggles. 4.15 Clapperboard. 4.45 The Extraordinary People

how. 5.15 Emmerdale Farm. 5.45 News.

6.30 Thames Sport.

12.06 am Stars on Ice.

12.30 Close: Personal choice with Dr. John Rae.

All IBA Regions as London except at the following times:—

ANGLIA

BORDER

1.20 pm Border News. 4.20 The Advantures of Black Beauty. 5.16 Clap-perboard. 6.00 Lookaround Friday. 6.30 Out of Town. 10.30 Golf: U.S. v. The World. 11.30 Border News Summary.

CHANNEL

1.28 pm. Channel Lunchtime News, What's on Whate and Weather. 6.00 Channel Report. 6.30 Ladies First. 6.55 What's on Where. 7.30 Charlie's Angels. 10.28 Channel Late News. 10.36 Spap. 11.05 S.W.A.T. 12.00 News and Weather in French.

GRAMPIAN

m Seachd Laithean-Gaelig re

7.00 Family Fortunes.

8.30 Holding the Fort.

9.00 My Father's House.

Lingfield success he had run well against Two Swallows and Lesley Anne at Warwick until Good Prospect achieved his lack of peak fitness told. He fifth success of the campaign in may prove just too strong for Good Prospect if it comes to a tussle over the final fences.

Thirty-five minutes before the Military Gold Cup, several smart four-year-olds will be seen in action in the select Hurdle won a year ago by Gay George. Two I like best are Homeson, who has run well against useful opponents in his three races, and Good Pros-pect's stablemate, York Cottage.

SANDOWN

1.45-Intercraft Boy* 2.15—Charlie Mouse 2.50—York Cottage** 3.25-Colonial Lad*** 4.00-Desert Hero 4.30-Brickwall Hotel

house-Piccadity.

AMBASSADORS. S. CC. 836 1171. Evgs. 6.0. Tues. Mat. 3.0. Sat. 5.30 and 8.30. J B. PRIESTLEY'S Mystery Play DANGEROUS CORNER. Acctamed revival of Priestley's most popular play.

APOLLO. CC. 01-437 2563. DIANE LANGTON. BEN CROSS In I'M GETTING MY ACT TOGETHER and Taking it on the Road. OPENING MARCH 31 AT 7.0. Reduced price previews from Mar. 26. ARTS. 836 2732. Mons to Sats 3 pm.
JOHN JUDD IN TWISTED CUES &
ELLIPTICAL BALLS. An adequinate
look at the lives & music of Gilbert &
Sullvan. \$4. \$3. \$22.

COMEDY THEATRE S. CC. 01-930 2578. Limited season until 23 May only. Even-ings 7.15 Mar Thurs 2.00 (note early start. The National Theatre smash-hit production from the Cotresipe of ARTHUR MILLER'S THE CRUCIBLE. Directed by Bill Bryden.

CRITERION. S. 930 3218. CC 379 5565. Gr. bigs. 835 3952 or 379 6051. Eves. 8. Sat. 6 and 8.45. MARTIN CONNOR. DAVID DELVE, TRICIA GEORGE, PETER REVIEW TO BE OUTSIDE OF WASHINGTON TO BE OUTSIDE OF THE WORLD OF THE AND LESS OF THE WORLD OF T DUKE OF YORK'S. S. 836 5122. Evenings 8.0. Saturdays 3.00 and 8.30. FRANCES de la TOUR. DAVID de KEYSER In TOSM KEMPINSKI'S DUET FOR ONE. Credit cards, only 836 9837. 179 6565 83 4862. Group bookings 836 3962. 379 6061.

DRURY LANE, Theorie Royal, Tel. 835 8108, THE BEST LITTLE WHOREHOUSE IN TEXAS. Evs. Morn. to Thur. 3.0. Fri. & Sat. 5.30 & 8.30. Group sales Box Office 37.9 6061. GARRICK, S. CC. 01-836 4601. Evenings 8.0. Until March 21 MAX WALL

GLOBE, S. CC. 01-437 1592. 01-439 6770 SEASON ENDS MAY 18. Standing room Tonight 61-50 & 52. ROWAN ATKIN-SON JN REVUE. Mon.-Frl. Evgs. 8.0. Sat. 6.0 & 8.45. GREENWICH THEATRE. S. CC. 858 7755. Eves. B.O. Mat. Sats. 2.30, CONSTANCE CUMMINGS in THE GOLDEN AGE, A new play by A. R Gutney. NAYMARKET, Treatry Royal, CC 01-230
9833, LAST WEEKS, SEASON MUST.
END APRIL 18, BOOK new 1979, BS.
Maggie Smith, VIRGINIA, A new play
by Edna O'Brien from the fives and
writings of Virginia and Leonard Wook.
Directed by Robin Phillips, Labacomers
may not be admitted.

WESTWARD

News. 9.05 This Week's Composer:
Clementi (S). 10.00 The Auld Alhance
(S). 10:45 Philip Cennon's String
Quarret (S). 11.10 Kathryn Stott.
piano recital (S). 12.05 pm Gunther
Herbig Conducts: Concart, part 1 (S).
1.00 News. 1.05 Concert, part 2 (S).
1.00 News. 1.05 Concert, part 2 (S).
1.45 Alkan, piano recital (S). 2.25
Concket: Third Test—West Indies v.
England. 4.35 Samt-Seens. chember
music recital (S). 5.55 News. 5.00
Majnty for Pleasure (S). 5.55 Play
it Again (S). 7.00 Kurt Weili (S).
7.30 Sarah Walker: Song recital, part
1 (S). 9.00 The Lyttehon/Hart-Davis
Letters. 8.20. Sarah Walker: Song
recitol, part 2 (S). 9.45 Love
and Lust (S). 10.00 Music in our
Timo (S). 11.00 News. 11.05 Schubert
(S). 11.15-17.30 Tast Match Special
(review of the day's play).
WHF with Medium, Wave except as
follows: 5.55-6.55 am Open University
and 2.25 pm Ernest Block and Max
Bruch (S), 3.15-4.35 Bagh and Geoffrey.
Burena (S). 17.75-1255 am Open
Week (S). 5.50 Week (S). 5.50 Week
Week (S). 8.10 Profile. 8.30
Kalaldoscopa. 9.59 Weether: 10.36 Week PALACE, S. CC. 91-437 6834. RODGERS & HAMMERSTEIN'S OKLAHOMAI Evgs. 7.30. Mats. Wed. and Set. 3.00. Group booking 01-379 5061. Better selection of seats available Mon. Thers.

ENTERTAINMENT GUIDE

THEATRES

PHOENIX. CC. 01-836 2294-5. Credit care bookings 01-836 8611. THAT'S SHOW-BIZI Proces 62.50, £3.50, £450. £5.50, Wed. to Sat. twice nightly 6.0 and 8.30. DUE TO PUBLIC DEMAND EXTRA PERF. SUNDAYS at 7.30.

PICCADILLY, 5. 437 4505. 379 5555. Group Bookings 835 3982. 379 5061. Mon.-Fri. 8. Mals. Wed. 5. Stat. and 8.40. Stalls from \$2.90. 100-48. SHAKESPEARE CO. EUCATING. RUSSEll's new Comedy Co. EUCATING. 1826.

new comedy EUCATING RITA. Comedy of the Year SWET Award 1920. Julia Waters. Most Promising Actress Drama Critics Award 1980. RSC also-at Aldwych-Warehouse.

undoubtedly suffer from new

competitors who do not have

such heavy overheads to bear.

The steel stock holding indus-

try is particularly vulnerable.

since a high proportion of

operating costs are connected

Government believes that the

The whole concept of enter-

with storage space.

questioned here, since

companies on the fringe of the a short distance.

zone. some of which will

OPERA & BALLET

COVENT GARDEN, 240 1065, S. (Gardencharge C 836 5903,) 65 Amphisests swall for all perfs from 10.00 am on the day of perf. THE ROYAL RALLET. Ton't at 7.30 Magon, Mon. & Wed. at 7.30 Daphais & Chioe. My Rrother, My Sistens. Fleader. Thurs, at 7.30 Mayering (Collier replaces Seymour). THE ROYAL OPERA. Tomor. & Tues. st 7.00 L'Abricaine. SADIER'S WELLS THEATRE ECL. Tel.
01-837 1572/1573/3856. Credit. Cards
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March 21 BALLST RAMBERT. Evs at
7.30, Tonight. Tomor & Mon. Landscape,
judgment of Parls. Rainbow Ripoles.
judgment properties of The Cards
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Day, Rite of Spring. Paper Sunday.
Oark Elegies. Frl. & Sat. next Cruef
Garden. Tists. £1 to £6.

ADELPHL-S. CC. 91-836 7611- EVS. 7-30. Sat. 4.00 7-45. Mats. Thurs. at 3.00. TONY SRITTON. JILL MARTIN. PETER BAYLISS and ANNA NEAGLE in MY FAIR LADY Now bookings through to October. For group bookings telephone 01-835 7558 or 01-875 8061.

ALBERY, 01-836 3878, CC bless, 379 8553, Grp. bless, 379 5061 or 836 3962. Evgs. 8,00. Tburs, Mat. 3,00. Stalls from \$2,90. Sat. 5,00 and 8.15. Sian Philips, Denis Lawson (Most Promising New Actor DRAMA AWARD 1980). Rodgers and Hart's musical PAL JOEY. ALDWYCH, S. 836 6404, CC. 379 6233. (10-6, Sats 10-4), Info 836 5332, ROYAL SHAKESPEARE COMPANY

7.30, Sat 2.00 & 7.30 Juno And THE PAYCOCK by Sean O'Casey, Judi Dench, winner of four awards as Juno, With Peter Nichols' PASSION FLAY (19 March), Prestel booking 22023. Group Sales 379 6061. RSC also at The Warehouse-Piccadilly.

ROUND HOUSE, LLDYD'S BANK SHAKESPEARE WORKSHOP'S presented by New SHAKESPEARE COMPANY. All Perts. SOLD OUT. Summer Term Workshops at Open Air Theatre open bkg. March 23.

ROYAL COURT THEATRE UPSTAIRS. 730 2554, THE 1981 YOUNG WRITERS' FESTIVAL Opens Ton't 7. Sub Evps 7.30.

SHAFTESBURY. CC. Shattesbury Are. WC2. Box Office 836 8596 or 835 4255 Credit card boxe. 839 7516, 839 4652, 839 4652 (9.30-5.0) 825 9.30-4.00 Group coolings only 825 9.30-2.00 THEY RE PLAYING OWN SONG. Price Stalls. Royal Circle £8.00. £8.50, £5.00. Circle £3.50, £2.50, £5.00. Circle £3.50, £2.50, £5.00. Aster. only best seats. Student standby £4.00. Feps. 8.0. Matiness Wed. 3.0. Saturdays 5 and 8.30.

ST. MARTIN'S. CC. 836 1443, Evgs. 8.0. Tues. 2.45. Ssts. 5.0 and 8.0. Agatha Christie's THE MOUSETRAP. World's longest-over run. 29th Year.

TALK OF THE TOWN. 01-754 5051
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GREAT NIGHT OUT. From 8 o'tlect
Dining and Dancing BRUCE FORSYTH
Preceded at 9-30 by SUPER REVUI
"BUBBLY." DANCINING TILL 1 a.m. From
Mon. RITA MORENO and COMPANY.

VICTORIA PALACE. CC. 01-828 4735-6. 01-834 1317. Evgs. 7.30. Wed. and Sat. 2.45. Group sales 01-379 6061. ANNIE.

LYRIC, S. CC. 01-437 3585, Evenings 5.00, Wed. 3.00, Sat. 5.30 and 8.30. DINSDALE LANDEN, NICOLA PAGETT IN ALAN AYCKSOURN'S TAKING STEPS

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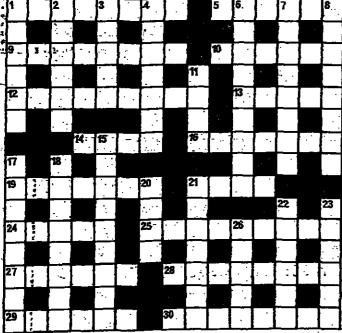
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School (as BBC 2 11.00 am). 4.20 11.50 The Late Film: "I Could F.T. CROSSWORD PUZZLE No. 4.518



- post (5, 3)

 5 Nothing secret in writing (6)

 6 One bird is on note as well than the change (4)

 11 Upset war prisoners for a change (4)
- record (7) record (7)

 19 Mail he's redirecting to out22 Computer picking the right
- 21 Food for auditor brought up. 24 Student debtor let down (5)
- 28 Changed places as motorway got on one's nerves (8) 29 Spot daughter with fruit (6)

30 Soldiers kept being cured

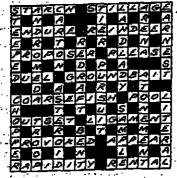
- scene (6)
- ladder (5) 4 Simple people in the soup 6 He hit me on breaking up
- 2 Steal the Spanish coin (6) 3 Theatre reached by kind of

- domestically (2, 3, 4)
- 10 A material whenever you 15 One way to go to put composer in chair (3, 6)
- uncultivated (3, 0)

 13 Bird well below par (5)

 18 Appeared to expose news-(8) man (6, 2)
 - 21 Defer to family part of actors (6)

25 Swallow put on near the 26 Support affected walk (5)



7 5.40 News. BBC 1 5.55 Regional News Magazines and Nationwide. 6.45 Sportswide. 7.06 Tom and Jerry.

7.05 A Question of Sport. 7.35 Coming Home. 8.05 Abba in Concert. 8.50 Points of View Royal Heritage. †12,05-1.28 am The Late Film: "The Thirty-nine ' 9.00' News. 9.25 Starsky and Hutch.

10.15 The Time of My Life (London and South-East only). 10.45 News Headlines. 10.50 Royal Heritage.

for Scotland; National News. Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 10.15 Spotlight. 10.45-10.50 News for Northern Ireland; National East (Norwich); Look North (Leeds); Look North (Newcastle); Look North-West (Manchester); Midlands Today (Birmingham); Nationwide West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth). 10.15-10.45 East (Norwich) Weekend; Mid-Coast to Coast; North-West (Manchester) Unlucky For Some; South (Southampton) Gatwick;

BBC 2 6.40-7.55 am Open University. 11.00 Play School. 4.50 Open University. †5.40 King of the Rocket Men.

Paintings. 7.25 Oxford Road Show.

8.00 Gardeners' World. 8.25 Race Against Time? 9.00 Call My Bluff. 9.30 Playhouse.

Morning BBC 2 Scotland only-10.00-

view of the week's news. 12.25 North Headlines, Road Report. GRANADA 11.00 am, 11.25-12.30 pm and 2.00-

RADIO 3
5.55 am Weather. 7.08 News. 8.05
Morning Concert (5). 8.00 News. 8.05
Morning Concert (continued) (5). 9.00

Morning Concert (continued) (5). 9.00

University.

RADIO 4
5.00 am News Briefing. 5.10 Farming Kington looks through the BBC Sound Today. 6.25 Shipping Forecast. 6.30

Archivas. 12.00 News.

Live from Two. 3.45 Look Who's Talking. 4.20 The Adventures of Black Beauty. 5.15 Clapperboard. 6.00 Granada Reports. 6.30 Kick Off. 10.30 A Week on Friday. 11.00 After all That, This. 111.10 Film of the Book: Henry Fonds in "The Grapes of Wrath." HTY Index. 1.20 Thames News. 1.30

1.20 pm HTV News. 2.00 Housepary. 5.15 Doctor Snuggles. 5.20 Crossroads. 6.00 Report West. 6.30 Welcome Back Kotter. 7.30 Chips. 10.28 HTV News. 10.35 "Who Says We Can't?" (pro-gramme marking the International Year of the Disabled). 11.05 Soap. 11.35 Camers. HTV CYMRU/WALES-As HTV West

HIV CTMRO/WALES—AS HIV West except: 9.35-9.50 am Am Gymru. 12-00-12.10 pm Ffalabalam. 4.15-4.45 Mae'r Olwyn Yn Troi. 5.15-5.20 Grussome Twosome. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.36 Opportunity Wales. 11.20 Soap. 17.45-12.15 am Camera.

SCOTTISH

10.00 News.
10.30 Benson.
11.00 The London Programme:
Problem Families.
11.35 The Electric Theatre
Show.
12.05 am Stars on Ice.
13.05 am Stars on Ice.
13.05 Instant Stars on Ice.
13.05 Instant Stars on Ice.
13.05 Instant Stars on Ice.
13.06 Instant Stars on Ice.
13.07 Instant I

SOUTHERN 1.20 pm Southam Naws. 2.06 Houseparty. 2.25 Poetry. 3.45 Super-star Profile. 5.15 Betty Boop. 5.20 Crossroads. 5.00 Day by Day. 6.00 Scene South East (South Fast Area only). 6.30 Survival. 7.30 Charlie's Angels. 10.35 The Home Patch. 11.05 Soap. 11.35 The Late, Late Premiere: "Johnny Larsan."

AIVULAR

1.20 pm Anglis News. 2.00 Houseparty. 2.25 Cartoon. 3.45 Laurel and
Hardy. 6.00 About Anglis. 10.30
Hardy. 11.60 Sosp. 111.30 Friday
Late Film: "To the Ends of the Earth,"
sturring Dick Powell with Signe Hasso.
1.30 am Chapter and Verse. TYNE TEES 9.20 am The Good Word. 9.25 North East News. 1.20 pm North East News and Locksround. 3.45 Last of the Wild. 4.20 The Adventures of Black Beauty. 6.00 North East News. 6.02 Sportstime. 5.30 Northern Life. 10.30 North East News. 10.32 Film of the Week: "Daddy's Gone A-Hunting," "starring Carol White. 12.30 am Countryside Christian. ATV
1.20 pm ATV News. 2.25 Certoon.
3.45 in Search of . Astrology.
4.20 The Adventures of Black Beauty.
5.16 Clapperboard. 6.00 ATV Today.
10.30 Seap. 11.00 ATV News. 11.05
Peter Cuphang—Master of Terror in
"Frankenstein and the Monster from

> ULSTER 1.20 pm Lunchturie. 3.45 Superstar Profile, 4.08 Ulster News. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 10.29 Ulster Wasther, 10.30 Sportscast. 11.05 Benson. 11.35 Bedtime.

WESTWARD

1,20 pm Westward News Headlines. 3.45 Disney Classic. 4.07
Gus Honeybun's Birthdays. 6.00 Westward Disry. 7.30 Charlie's Angels.
10.32 Westward Late News. 10.36
Soop. 11.05 S.W.A.T. 12.00 Farth
for Life. 12.05 am West Country
Weather and Shipping Forecast.

9.25 am First Thing. 1.20 pm North News. 3.45 Fangisce. 6.00 North Tonight—Including Sportscall. 7.30 Charlie's Angels. 10.30 Police Story. YORKSHIRE 1.20 pm Celendar News. 3.45
Andy's Party. 4.20 The Adventures of Black Beauty. 6.00 Calender (Emley Moor. and Seimont editions). 6.30
Celander Sport. 7.30 Hawaii Frvs.0.
10.30 Soap. 11.00 Pro-Celebrity
Sponker 11.45 Lou Grayl.

Taylor.
Excellent cheap seats from 10 am day or perf all 3 theatres. Also staughty 45 mins before start. Car park.
Restauran 928 2033. Creuk card bkgs 928 5333. Creuk card bkgs 928 5333. 1.20 pm Granada Reports. 2.00 Snooker. 11,45 Lou Grant. NEW LONDON THEATRE. CC. Drury
Lane. London. WCZ. 01-405 0072.
OBERS ADVIL 30. Press, from April 22.
CATS. A MUSICAL BY ANDREW
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OFFICE NOW OPEN! NEW PITLOCHRY FESTIVAL THEATRE. POSTAI Bookings opens Mar. 23. 31st Sesson; May 19-Oct. 17. SAE for prog. and hotel list. 7el. 10736; 2680. "S7AY 5 DAYS AND SEE S PLAYS!" OLD VIC. 928 7616. CC 261 1821, 5 Until 21 March, extended by popular request, Mon, to Sat. Eves, at 7.30, Wed, and Sat. at 2.00. Missions and John Kani in WATTING FOR GODOY.

THEATRES

PALLADIUM. 01-437 7373. Evgs.
7.30. Mais. Wed. and Sai. 2.45.
LAST 2 WEEKS, MUST END MARCH 21.
JIM DAVIDSON. MOLLY SUGGEN.
WINDSOR DAVIES, MELVYN HAYES,
CLIVE DUNN, LIONEL BLAYN HAYES,
AND ALL STANDARD CHEST OF THE STANDARD CHEST OF

THEATRES

PRINCE EDWARD. S. CC. Box Drice 437 6377. CC Hotline 439 8499. Group sales 379 8061. Ergs. B.DO. Mats. Thurs. (Economy price) and Sat. 3.00. BYFA by Tim Rice and Andrew Lloyd-Webber. Directed by Harold Prince. PRINCE OF WALES THEATRE, 930 8681, Credit Card bookings 930 0846. PAUL DANIELS IN IT'S MAGIC. Mon.-Thurs, 8.00. Fri. and Sat. 6.00 and 8.45. EASTER Perls. Good Friday as normal. EXTRA MATS. 20th and 21st April at 3.00.

QUEEN'S. S. CC. 01-734 1165 01-439 Span 61-439 4031, PENELOPE KEITH. Peter JEFFREY, Barbara FERRIS In MOVING. A new play by Stanley Price. Directed by Robert Chetwyn, Eres. 8.0. Mats. Wed. 3.0. Sat. 5.0 and 8.15. Group sales 01-379 6061.

RAYMOND REVUEBAR. CC 01-734 1593.
At 7.00, 9.00, 11.00 pm. Opens Suns.
PAUL RAYMOND presents THE
FESTIVAL OF EROTICA. New Acts. New
Girls. New Thrills. 23rd sensational year.
Fully air-conditioned.

ROYAL COURT. S. CC. 730 1745. FAITH HEALER by Brian Friel HELEH MIRREN STEMEN LEWIS, TONY ROHE, Evgs. 8. Mon. all seats £2.00. No fatecomers.

STRAND. 01-B35 2550. B36 4143. Even-ings B.D. Mats. Thurt. 3.00. Sat. 5.30 and B.30. LONGEST RUNNING COMEDY IN THE WORLD. NO SEX PLEASE— WE'RE BRITISH. Directed by Alian Davis, Group sales Box Office 379 6061.

VAUDEVILLE S. CC. 01-836 9988.
OPENING MARCH 17 AT 7.00
DONALD SINDEN, Dinah Sheridan,
Gwen Wattord. Poliy Adams in PRESENT
LAUGHTER by Noel Coward, REDUCED
PRICE PREVIEWS NOW. Evgs. 7.45.
Satt. 4.0 & 7.45. Group sales Box
Office 01-279 6061.

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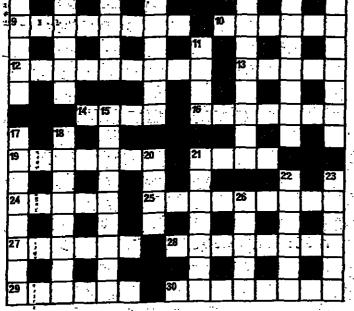
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OPENING JUNE 11. Reduced price previews from May 23 the fraction of the previews from May 25 the fraction of the fractions of the fraction of the fractions of the fraction of the fractions of the fraction of the fractio

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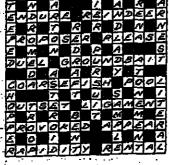


- ACROSS 1 England's tip for country 7 Wiry lock-keeper (4, 4).
 8 Glad to set off by contrast
- 12 Willingly get permit to stay 17 Notice boss printed account
- 14 Is 2 a goddess? (4) 16 Potted biography for the 20 Cover ought to fit pool (4) cast (7)
- footlights (4, 5) 27 Intention one has to plant Solution to Puzzle No. 4,517

DOWN

I Nearest pub on eastern

23 Broadcast protected in Wimbledon draw (6)



Go On Singing," starring 4.40 Coverage of the Scottish Judy Garland with Dirk Labour Party Conference. Heyyy, It's the King. Jackanory. 4.45 Finders Keepers. 5.65, Breakthrough. 5.35 The All Regions as BBC 1 except

as follows:—
Cymra/Wales—1.45 pm O Dan
Y More. 2.02-2.22 I Ysgolion:
Hwnt Ac Yma. 4.45 Florida,
5.15-5.40 Breakthrough. 5.55-6.20
Better Read. 1.00 News, plus FT
Index. 1.20 Thames News. 1.30 Wales Today. 7.00 Heddiw. 7.25 Trem: Cwmni Dawns Georgia. 7.55 Pride of Place. 8.25-8.50 Triangle. 10.15 Week In Week Out. 11.05 News for Wales. 11.06

Steps," starring Robert Donat. Scotland-11.00-11.20 am For Schools. 12:40-12:45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 10.15 B. A. Robertson in Concert. 10.45-10.50 News

News. 1.30 am News and Weather for Northern Ireland. England-5.55-6.20 pm Look (London and South-East); Points Tonight; North (Leeds) Rock Athlete: North-East (Newcastle)

South-West (Plymouth) Towards 2000; West (Bristol) The News-

5.55 Monkey. 6.40 Speak For Yourself. 7.05 Mid-evening News. 7.15 One Hundred Great

10.55 Newsnight. 11.40 Friday Night . . . Saturday

RADIO 1 (S) Stereophonic broadcast † Medium Wave only 5.00 sm As Radio 2, 7.00 Mike Read, 9.00 Simon Bates, 11.00 Andy Peebles, 12.30 pm Newsbeat, 12.45 Paul Burnett. 12.30 pm Newspeat; 12.49 rsp) surrer; 2.30 Dave Lee Travis; 4.30 Peter Powell with Ring-a-Diec. 5.30 Newsbeat; 5.45 Roundrable with Mike Read, 7.30 Anne Nightingele; 10:00-12.00 The Friday Rock Show (5). RADIO 2 RADIO 2

KADIU Z
5.00 am Bob Kilbay (5). 7.30 Terry
Wogan (S). 70.00 Jimmy Young (5).
12.06 pm David Hamilton (S). 2.00
Steve Jones Request Show (5). 4.00
Much More Music with David Symonds
(S). 6.00 John Dunn (S). 8.00 Take
Your Parmers at The Radio 2 Ballroom
(S). 8.65 Friday North is Music Night (S). 8.45 Friday Night is Music Night (S). 9.55 Sports Desk, 10.00 Castle's (5). 5.35 Sports Deet. 10.00 Castle s on the Air. 10.30 The Organist Entertains. 11.00 Brian Metthew with Round Midnight, including 12.00 News. 2.00-5.00 am You and the Night and the Music (5).

(5). 11,16-11,30 test match operation (nations of the day's play).

VHF with Medium Wave except as follows: 5,65-6,55 am Open University and 2,25 pm Ernest Block and Max Bruch (5), 3,15-6,35 Bach and Geoffrey.

Burgon (8). 11,15-12,55 am Open University.

Any Questions? 9.15 Letter from Augarica by Alistan Cooke. 8.30 Kaleidoscopa. 9.59 Wasther. 10.00 The World Tonight. 10.35 Week Ending (5). 11.00 A Book at Bedtims. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 11.45 Miles

THE PROPERTY MARKET BY MICHAEL CASSELL

£100m office centre plan

PLANS to build a £100m-plus Central Business Exchange in the heart of Milton Keynes

100,000 sq ft of specialist retailspace. At present there is about ing, have been designed in an lm sq ft of existing office space, attempt to create one of the with a further 500,000 sq ft most attractive office centres in under construction.

1.2m sq ft shopping centre, which opened last year, and the Milton Keynes Central intercity station which is due to be come operational in May 1982. Talks with potential funding partners for the first phase of the scheme have already progressed well and the Develop-ment Corporation wants to have

reached a final choice by the

end of this year.

The first phase is expected to comprise about 400,000 sq ft of office space, a 250 bedroom hopes work on site can begin by the autumn of 1982 and phase one is likely to cost £40m. Later additions will include cinemas and sports clubs.

Funding discussions involve both property development com-panies and pension funds and Mr. David Crewe, Milton Keynes information director, says a start has been made on the selection process: "The proposals have been very well received by potential backers and there has been a great deal

the concept."

The population of Milton have been accepted by the Keynes, currently about board of the local Development 100,000, is projected to reach 200,000 in the 1990s and the The proposals, which will Corporation believes that the electronic noticeboard and electronic about one million sq ft area will by then be able to tronic mail. There will also be of office space and around sustain about 4 m sq ft of office a staff training and consultancy

The concept behind the business exchange involves the situated between the new complete integration of officers. and a wide range of supporting services, though each opera-tional unit will have to prove viable in isolation. The accent will be on high technology and one of the aims is to provide Bank and a major finance house tenants with access to the latest are among the latest tenants to in communications techniques. A major element in the new where the Corporation is cur-centre will be an information rently asking between £6 and £7 technology centre and the Cor- a sq ft.

cial operator to run it. At its heart will be a computer-based office system and users will be able to take advantage of the latest office aids, such as an service provided by the centre, the management of which is now

On a shorter-term basis, the Corporation is quite pleased with the way lettings have held up in recent months. The two largest office complexes, Ashton House and Norfolk House, together provide about 150,000 sq ft of floorspace and most has been let. Standard Chartered sign leases in the central area,

That permission has now been

given and, with even the York Civic Trust casting an approving

Go-ahead for Fleming

hotel (already agreed with the FLEMING Property Unit Trust site and threw Fleming's pro-Metropole group), 40,000 sq ft has, following the somewhat exposals into confusion. of retailing, an ice rink and a huberant intervention of the The Department abealth club. The Corporation Department of the Environment. Michael Heseltine in part of the Environment. The Department and Mr. Michael Heseltine in particular, were accused by Fleming of Department of the Environment, finally been given the go-ahead for its retail development scheme in Coney Street, York. "hopeless over-reaction" but now the DoE has referred the matter back to York Council, giving it freedom to approve

Fleming purchased the Coney Street site at the end of last. year for £4.2m and intended to develop three shop units pro-viding 13,600 sq ft of ground floor sales area between them.

eye over the plan, work is ex-Within weeks, however, the pected to start shortly and will

in Florida

LAING PROPERTIES, together with Landmarks, an American joint venture partner, has sold a 137,500 sq ft net office development in Tampa Bay Park, Tampa, Florida for around £5m. Laing's share of the deal is worth about £3m. The four storey building, let to IBM, has been acquired by the Pacific Telephone Pension

Laing sells

● MEPC and the Metropolitan Berough of Bury, Lancashire have agreed on a plan to reinvenate The Rock, the town's former principal shopping street. The agreement involves a £1.5m investment for MEPC and it is proposed to bulld ten new shopping units with a total sales area of with a total sales area or 21,000 sq ft, as well as a 20,000 sq ft extension for Marks and Spencer. In addi-tion, a 30,000 sq ft super-store for the Co-op is already under construction and a fur-

Duniop Heywood • Peterlee Development Corporation has, as part of its assets disposal programme, sold the freehold of its 30,250 sq ft head office building known as Lee House—to Sterling Estates, a wholly owned subsidiary of Royal Insur-ance. The purchase price was

ther 5,000 sq ft retail unit is also planned. Letting agents:

Kuwaitis to develop shops in Croydon

ST. MARTIN'S PROPERTY... wholly-owned UK property arm of the Kuwait Investment Office—is to develop a 400,000 sq ft covered shopping scheme in Croydon.

St. Martin's has purchased from Debenhams a prime site opposite the Whitgift Centre hich has been assembled by the stores group and from where it now trades.

The Kuwaiti-owned group now intends to press ahead with development programme which will cost about £35mincluding site acquisition—and in which Debenhams will take 213,000 sq ft of space on a 99-year lease. In the meantime, the retailer will continue to trade from its existing premises.

The first phase of the scheme is due for completion in 1983 and the entire centre will be finished in 1984.

St. Martin's, which has been advised by Bristol-based agents Hartnell Taylor Cook, will develop a climate-controlled shopping mall comprising a 25,000 sq ft supermarket, a 34,000 sq ft variety store, and 44 smaller shop units providing a further 128,000 sq ft of floor-

tough competition to acquire the land from at least two other development corporations directions. Hartnell Taylor Cook account for another 9.8m sq ft has already started negotiations between them.

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opened in new shopping schemes during 1980 fell to its lowest level for 12 years, ecording to Hillier Parker May & Rowden.

A survey published this week

Hillier Parker says that smaller centres (between 50,000 sq ft and 99,000 sq ft) accounted for about 43 per cent of new floorspace compared with a peak of 58 per cent in the previous year. The propor-tion of covered centres rose

The agents also list the 20 companies which have been most active in developing major shopping centres over the past 16 years and the main change is that Asda-when measured in terms of new shopping floor-space—has risen to become the 14th largest developer. It held

to let the supermarket and the variety store.

The amount of floorspace

by the agents shows that 15 new major schemes (over 50,000 sq ft gross) opened in the 12month period, providing a gross floor area of 2.9m sq ft. New shopping floorspace opened in 1979 reached 4.3m sq ft against the 1976 peak of 7.6m sq ft

considerably, from 12 per cent in 1979 to 48 per cent last year.

19th position in 1979.

Top of the development table, The site has attracted a great since 1965, is Town & City, foldeal of interest and St. Martin's. lowed by Ravenseft, Hamis understood to have faced merson, Laing and Grosvenor. Local authorities and new town

Developments Total Floorspace Opened

Mr. Geoffrey Palser, semor partner in charge of shops at developer and local authority Hillier Parker, says the down-can now face considerable prob-turn in new schemes recorded lems in agreeing on schemes last year is a combination of which are acceptable to the several factors, not least the public." dwindling number of major centres which have yet to be the subject of redevelopment

Snapped up

"Many of the natural locations for major shopping schemes have been developed and most of the easier oppor-tunities have been snapped up first, leaving behind those sites with potential problems.

"There have been tremendous increases in building costs, necessitating a higher rental base in order to make schemes viable. But although there have been big increases in retail rents these have not always been as dramatic in locations where the need for new schemes exist.

WILLIA

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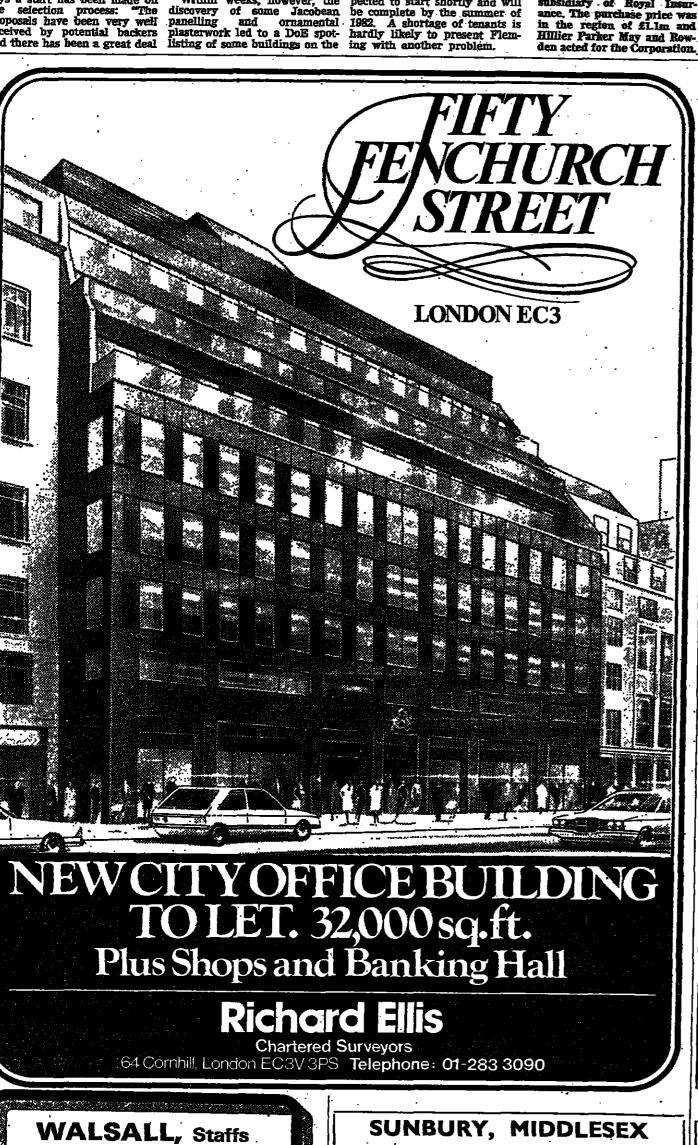
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• Matthew Hall, the engine eering group, has acquired from Landon Merchant Securities a long lease on Howland House, the 1500 sq ft office healding in Hose land Street, W.L. The frent is believed to be around £300,000 a year and Hiller Parker May & Rowden acted for the tenant.

Whitbread-Notan, the New York real estate agency, has opened a London office to help European and Middle
East investors hequire real
estate investment sopportunities in the U.S. Managing
director of the European
office is Mrs. Lydia Basaldua



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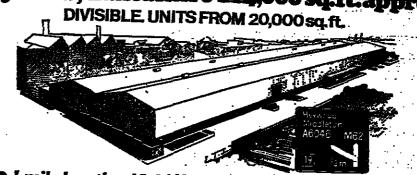
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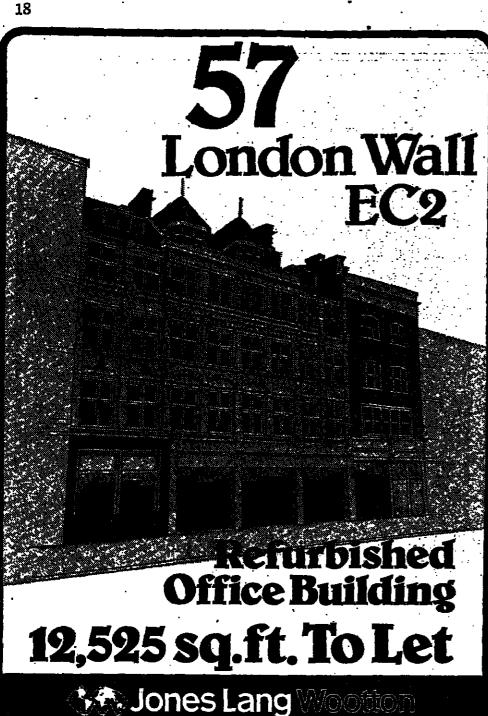
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LONDON E3	Gillender Street	25,000	2,600	10,500	August 1981
LONDON SE27	Beadman Street	9,000	904	<i>3,7</i> 50	August 1981
LICHFIELD	Boley Park	50,000	2,100	4,550	September 1981
INDUSTRIAL PARKS (SCOTLAND)		· ·			
ABERDEEN	Bridge of Don	16,000	5,300	11,575	Now
ABERDEEN	Harlaw Road, Inverurie	31,500	4,300	21,750	Now
ABERDEEN	Murcar	*	*	*	*
DUNDEE	East Dock Street	6,000	6,000	6,000	Now
EDINBURGH	West Shore Road	37,000	4,650	9,675	Now
GLASGOW	Garscube Road	54,500	5,600	12,880	August 1981
PETERHEAD	Longside Airport	8,000	2,000	2,000	Now
BUSINESS CENTRES (ENGLAND)				,	
CAMBERLEY	Beech House	33,300	33,300	315,000	July 1981
LEEDS	Oak House	20,200	1,100	5,000	Now
LUTON	Jansel House	9,900	4,600	16,100	Now
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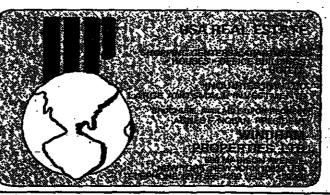
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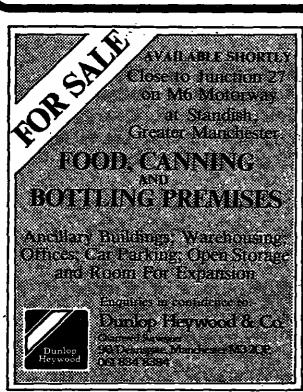
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Daphnis and Chloe by CLEMENT CRISP

The return of Daphnis and the central quartet. Both Merle go away. (The Pirate scene always lived at the castle — will chlor to the repertory is cause Park and Anthony Dowell seem suffered both from poorly hung understand everything of the for resolving, though on Wednes too aware, too conscious, as the scenery and from a lack of sickening, encroaching sense of development, and the chill join day's casting, also a matter for lovers; that radiant innocence concern. Ashton's sense of which should colour every though Stephen Jefferies brings of evil suddenly revealed, which ritual, his ability to suggest the action by adolescents, is missing: a fine intelligence to Bryaxis.) numinous, is here—as in In matter of dancing both artists Perséphone — very exact and are superbly musical, but a cerpotent. Daphnis is, in essence, tain bloom has gone from the satisfaction is possible about the a tale about initiation, a journey roles. It is almost as if they rest of the evening, which a tale about initiation, a journey through travail to the joyous illumination of the last scene, and this is clearly stated in the hieratic elegance with which Ashton treats both the cele-brant peasant corps and Pan's nymphs. These elements in the revival were excellently done.

nt site!

RTO

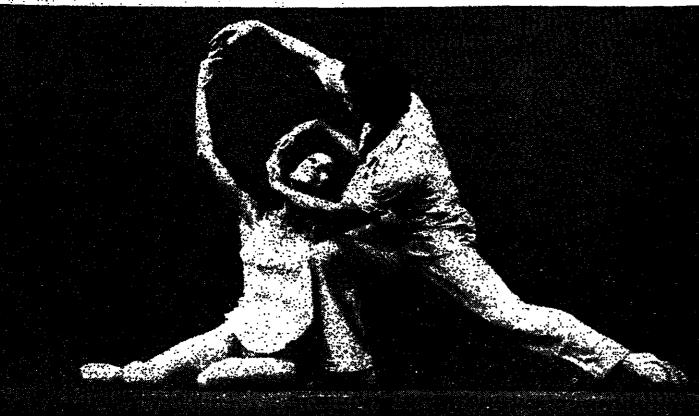
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weight in the general dances, derangement and the chill jolt

the tortured knots and tangles of the brother's solos; Jennifer



Theatre Royal, Nottingham

Orteo by Arthur Jacobs

Next month, until April 4, Nottingham becomes the country's second operatic city, with for purposes of musical accent; fection, the alternative and five operas presented in conjuring only a little with the tinuous reperfory by the rest of the opera in the admirEnglish National Opera. It is able. English translation of composer printed in his score the first time that the London- Anne Riddler. Over a "light" based company has mounted accompaniment (as compared such a concentration in a pro- with the orchestral strength such a concentration in a pro-vincial city, and the event is demanded by later composers), being suitably called a "festi-val" and presented with a flourish. No better opening size of this theatre, so suitable could have been devised than this new production of Monte-ductions and so civilised in its The young Australian producer verdi's Orfeo, which is musically amenities, the audience probind dramatically a triumph and ably gets a more vivid impressionment of the producer and dramatically a triumph and ably gets a more vivid impressionment and the producer and has greeted by the audience sion of this work than it will at with the greatest enthusiasm. the London Coliseum next

Not to this company but to seaso kent Opera belongs the credit As or demonstrating that Monteerdi's works can be convincngly delivered to today's audinces in the composer's own coring, or something very close But this production chieves an exceptional impact, ot least through the participasuch distinguished on of such distinguished rtists as Anthony Rolfe Johnon (Orfeo). John Tomlinson Charon) and Della Jones-who howed all her usual intensity. nough at first not her best tone 2 the vital narrative role of messenger of Euridice's

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As conductor, John Eliot Gardiner has assembled a suitably large continuo group, with large members of the lute family conspicuous, and skilled players of cornetti, clarini, and sackbuts. The fantare and sackbuts. The which opens the work (Monte verdi calls it a "toccata") was sounded within the foyer before it was heard on stage. The tone-quality and the accuracy of pitch (lapses were few indeed) were as notable in the orchestra as in the voices. With a plea of some historical justification, the whole opera was transposed up a whole tone from the

composer printed in his score of 1607.

The boldest, most controversial, and to my view completely justified stroke, was to set the opera not as a court entertain-ment but "in a contemporary peasant village on the Eastern shore of the Mediterranean." The young Australian producer of Orpheus, his lost love, his journey to Hades. Even the "happy ending"

Elizabeth Hali

Unusual, these days, to hear the E.C.O. in an all-modern programme; but it was in no sense a forbidding one, and a large part of the point was splendid first-desk players a run for their money. It was an evening full of solo excursions, but the guest appearance of Paul Neubauer must have special

Mr. Neubauer is a 19-year-old American who won the Lionel Tertis Viola Competition last August on the Isle of Man. The composer Gordon Jacob is almost 86, and he composed his Viola Concerto no. 2 for that competition (55 years after his no. 1). The official première on Wednesday did credit to both musicians. The four movements of the work are not only bonestly attractive, and within their idiom fresh, but perfectly idiomatic for the solo instrument. Its paces are shown off so well, and so delicately accommodated by Jacob's practised scoring (for strings only), that the concerto is most unlikely to fade away into competition history. Neubauer was an impressive exponent: a big wellbred tone strong legato and solidly secure double-stopping and crisp agility in brilliant passages where the viola might easily seem heavy-footed. I pre-dict a fine career for him.

Oddly enough, Stravinsky's Dumbarton Oaks" Concertomodelled quirkily on Bach's Brandenburgs and similarly graced with solo inventions had something less than its ideal fizz; the wind parts came up nicely, but the strings were unduly suave where a good gutty bite would have done more for Stravinsky's angled rhythms. The E.C.O. sounded much more at home with the extended Strauss suite from his music for Le Bourgeois Gentilhomme, where soloists of inform this territying and beautiful ballet. Wayne Eagling unravelling

should assume the roles of the ended with a crackling account Penney most frightening in her two darker figures of experience, of Façade, led with suavest ability to concentrate menace Lykanion and Dorkon, for the elegance by Miss Park and Mr. into a pianissimo; Lesley Collier present incumbents, Marguerite Dowell. The central ballet. My suddenly blind and a prey to Porter and Julian Hosking, give Brother, My Sisters, was given every terror, give performances shadowy and unconvincing por- with hypnotic, utterly disquiet- that ring like screams in the travals—long memories of Vio- ing force. Admirers of the night. It is an astounding not-letta Elvin's sensuous warmth novels of the late Shirley Jack- to-be-missed ballet, receiving My doubts about the evening and John Field's brooding power son — notably of The Haunting the grand interpretations it have to do with the casting of in the original staging will not of Hill House and We have merits.

> The Italian names of Orfeo written pitch and Mr. Johnson (an excellent debut by Nigel and Euridice are retained here sang, in its entirety and to per-Robson) is now an earthly comforter instead of a god descending by stage machinery.

There is in this production no machinery and virtually a bare stage. The mime and dance -as well as the singing-of the company give all the frame that is needed, as well as th emotion of the moment. Only the ceaseless writhing and headsmiting of dead souls awaiting long hours, but as we know their passage across the Styx from the same scene in was rather overdone. Mr. Freeman, evidently an operatic again). Ironically, the stage director of genius, is directorial detachment that almost unwillingly, as if im-pelled by a cultural inheritance (still a rarity in opera) are none they hardly recognise—the myth of them too old or the wrong shape and size for their parts. How splendid, as in this whole enterprise, when what is very becomes convincing in its new bold turns out also to be very guise: Apollo, Orpheus's father good.

E.C.O. calibre are the sine qua non if the pieces are not to outstay their welcome. Mackerras plainly relishes the

music, and encouraged his

gances of just the right order

They took their turns with com-

petitive glee: good virtuoso fun

in music that is otherwise

doubtfully worth hearing.

obviously to give all their

The other principal soloist was Neil Black, who delivered Oboe Concerto of Martinu with all his usual grace, fleetness and wit. The work is hardly substantial, though the conductor Charles Mackertas ensured a bright, pointed sound for it; Black's lively musicianship was more than sufficient excuse for reviving the piece. (There aren't many oboe concertos, and one would be happy to hear Black playing any and all of them.)

Cinema

Onward and upward

by NIGEL ANDREWS

Coal Miner's Daughter (A) Plaza Best Boy (U) Academy 3 Motel Hell (X) London Pavilion Brothers and Sisters (AA) ICA and Cinecenta Leicester Souare Electric Cinema

Coal Miner's Daughter is the all-American success story writ bright, large, clean, painless and—surprisingly for all those anodyne virtues — enjoyable. Tumbling out of coal-mining Kentucky comes our true-life heroine Loretta Lynn, the Country and Western singer on whose autobiography this movie is based. She's played with a prodigious range of acting dynamics by Sissy Spacek—from elfin teenhood to brassy celebrity-and even those for whom a fortnight in Nashville with forced nightly attendance at the Crand Ole Opry would sound like a travel-brochure of Hell can attend without grievous mental harm, for British director Michael Apted (who made Stardust and Agatha)
has stepped into the C-and-W world with humour and a fluent sympathy.

Unlike the zany notation and daring octave-leaps of Altman's Nashville, Apted has produced a clear, smooth line narrative, relying for rubato and expression on his two leads: Miss Spacek and Tommy Lee Jones as Doolittle, her hulky-handsome, pushy charmer of a Southern boyfriend, who becomes her hus-band and manager. Right from the opening scenes in backwoods Kentucky, the film's fairy-tale thrust pushes past any hint of downbeat, pausefor-social-comment realism (the mining villages are a picture-pretty hive of thriving community feeling), pointing its sights so determinedly at Loretta's rags-to-riches ascen-sion that peripheral vision disappears in the forward bounce of a ride through the American Dream. The film is a breeze-blown

odyssey, whose token heartaches are planted along the way for the sole purpose of resolved. (Doolittle, feeling out-of-it. takes briefly to the bottle when Loretta is swept up by the first surge of fame: Loretta breaks down on stage, after too many pills and Nashville she soon picks up made Apted's last film Agatha off the screen while it lasts. limp and lymphatic-its seem ing performances needed a

touch of High Camp over direction — is precisely what at the film's climax is small keeps Coal Miner's Daughter buoyant; floating along on a degagé cushion-of-air above all the bear-traps and sentimental Apted's cool sense. ability to step back, give the extraordinary chameleon skills Spacek room

breathe and expand. Enough for most actresses to wind their tongues around the the - vowelled Kentucky mega drawl, but Spacek has energy Lynn's freckled girlhood, and then to bloom out into the broad-winged. broad-voiced



I'm not sure if you'd call Ira Wohl's Best Boy a comedy or a tragedy, but either way this feature-length documentary about a retarded 40-year-oldthe film-maker's cousin -- is riveting viewing. "Philly" is stoop-shouldered and overstoop-shouldered and over-weight, with missing teeth, balloon-like jowls and a mental age of under ten. As he shuffles on to the screen at the film's beginning, one clutches one's seat and fears for one's stamina at the possibility of 100 minutes of collecting-tin-in-hand pathos about life at home with Philly and his parents; about Philly's daily visits to a school for the retarded; and about the director's own attempts to push Philly gently into the outside world so he'll be able to cope with life when Ma and Pa die.

But though they may never make it to Hollywood, this movie's cast is an all-star sensation. Scene-stealers supreme are Philly himself and his Ma. The first is a childlike charmer with facial expressions as open as a comic-book and a habit of endlessly fidgeting and puffing like a train that won't sit still in a shunting-yard. The second is a forlorn and age-shrunken materfamilias whose head-shakes and oi-veys! are from some archetypal blueprint of the Jewish mama. The film is by turns very funny and very touching, and you can hardly take your eyes

You can hardly keep your eyes on the screen in Loophole. Ten minutes of flooding sewers reward for 90 minutes of cinematic constinution prior to that. Albert Finney, dispensing classless vowels in a slack-jawed monotone, and Martin Sheen, looking shell-shocked still from Apocalypse Now, team up in one of those "robberies of the century" that in Moviedom happen several times a decade. There's a fortune waiting for

them in the safety-deposit-boxes of a London bank. All they need do is drop down an adjacent left to join up the dotted lines sewer with their back-up team in her portrait of Loretta and then drill for glory up-fromunder the precious shrine itself. Meanwhile, as upper lips stiffen underground, Susannah York Nashville butterfly, twanging keeps the ham fires burning as veiled misogyny.

out love songs under a Mrs. Sheen, prancing about her cascade of red hair. decor-mad home wanting more specifically where it comes from.

too late and is far too perfunctory—was written by Jonathan Hales, from a story by Robert Pollock, and directed by John Quested. Snappier pacing and brighter acting needed-plus at least one plot-twist not semaphored to us well in advance as if the makers feared that anything truly unexpected would send us all into deep shock.

Far better to join Farmer Vincent, proprietor and chief licensee of the Motel Hell and purveyor of famous smoked meats. The reason Farmer's V's culinary specialities taste so good is that the ingredients are not all culled from the lower animals. When motel guests mysteriously disappear in the middle of the night, there's a strong possibility that they are on their way to playing a key role in one of the good farmer's pork pies or smoked sausages. Rory Calhoun, handsome coal-

black eyebrows now surmounted by a cloud of white hair, is Mine Host with the chainsaw, and the magnificently lewd and rotund Nancy Parsons is his wife. The impact of the movie shuttles between the filmgoer's stomach and his funny-bone. dealing out equally forceful treatment in both areas. Kevin Connor, like Michael Apted, a Britisher abroad, directs with high relish, and few of us will be able to watch The Flowerpor Men with equanimity again after the revelation of what is planted out at the bottom of Framer Calhoun's garden. Double-opening at the ICA

and Cinecenta this week is Richard Wooley's intriguing Brothers and Sisters, produced by the British Film Institute Production Board. A kaleido-scopic crime thriller—who killed prostitute Jennifer Collins?-is used as the stalking horse for an examination of sexist prejudices in Britain today. The police inquiry homes in on two brothers, divided by their lifestyles and political beliefs-one is a commune-dwelling liberal. -but joined by their thinly-

Through a clever juggling of decor-mad home wanting more murder-thriller suspense and money and not caring too soap-opera naturalism, Woolley shrewdly anatomises Anglo-This peculiarly silly and Saxon attitudes to sex and the suspenseless entertainment—the sexes. It's a social parable cliffhanging climax comes far wrapped up in a whodumit conundrum, and it's a movie package well worth tackling.

Frederick Wiseman's new film Model is his best in years. A basilisk-eyed look at the world of fashion-photography and advertising, it spearheads a new season of the American director's work at the Electric Cinema. This ex-lawyer turned film-maker specalises in homing in on various aspects of U.S. institutional life, from the army in Basic Training to the legal system in Law and Order and Juvenile Court.

Wiseman's least appealing films are those in which his gnomic, no-comment technique —ther's no voice-over, just a "straight" presentation of scenes from the chosen sphereof-life-deprive us of vital facts in order to indulge in a sort of aloof. sardonic condescension. But in Model he is clearly as fascinated as we are by the fashion-world's labryinths of appearance-and-reality, and the long central sequence in which we watch a 30-second stocking advertisement being put 10gether-from rehearsal to shooting to final cut-is at once hilarious, hypnotic and eyeopeningly instructive.

Sir Francis Chantrey bicentenary celebration

One of the tributes to Sir Chantrey Francis arranged during 1981 to celebrate the bicentenary of his birth is a display of 17 paintings and two sculptures recently presented to the Tate Gallery by Bequest. These will be on view until early April.

An exhibition of sculpture by

Sir Francis is at the National Portrait Gallery until March 15. while the exhibition Some Chantrey Favourites, a selection of over 40 works from the Chantrey Bequest arranged for the Royal Academy by the Tate Gailery, will be shown at the Royal Academy from March 28

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Friday March 13 1981

Business and apartheid

FOREIGN COMPANIES operat the Wiehahn Commission to ing in South Africa face prob- look into the whole labour probing in South Africa face problems which businesses operating elsewhere escape. Moral dilemmas aside, foreign companies must operate locally within the complexities of the apartheld system, while in their home countries, they are liable to be singled out for hostile criticism or even sanction.

South Africa taking the view that, for commercial or political reasons the effort is not worthwhile. But the majority of a total of more than 2,000 (some. twa-thirds of which are from Britain and the U.S.) have decided to stay and reap the benefits from what is at present deal with a wide variety of a booming economy. Without organisations ranging from a benefits from what is at present doubt one of the greatest difficulties they face is in the area refused to register as the gov-of labour relations, character-ernment requires (but which ised in the past few years by a still represents its workforce) new militancy among black

This increasing militancy, at a time when pressures are again on at the United Nations for an economic boycott of South Africa is partly a result of South Africa's gold-fed prosperity over the last two years. This has led to an acute shortage of skilled labour. Blacks are being trained for jobs once held only by whites, with a consequent increase in the bargaining power of black workers. Hardly a week has gone by over the last few months without a strike, wildcat or union organised, in one foreign company or another. While the percentage of workers involved may still be very small in proportion to the total industrial workforce, the highly complex and fluid labour scene which faces foreign companies now is a potential minefield.

Registration

Inevitably, South Africa's attitude towards labour is inextricably linked with its apartheid system. Half a million white, mixed race and Indian workers have long been allowed (though they have rarely exercised) the right to strike through registered trade unions. But until recently black workers have been deprived of the right not only to strike but, in most instances, even to negotiate their own pay

The wave of strikes that hit the country in 1973 ultimately prompted Pretoria to appoint

Pretoria's implementation of its 1979 recommendations has been less than complete, presenting company managers and boardrooms alike with different and confusing choices.

Pretoria's aim seems to have been to try to find a balance between its evident need to Some companies have left regulate (and control) black labour through accepted bodies like trade unions, and its fear that such black labour organisations would become the vehicle for political protest.

Meanwhile, a foreign company facing labour troubles today may find itself having to radical trade union which has to a conservative registered black union which is effectively led by whites-or no union at

Labour peace

The various codes of conduct, such as the U.S. Sullivan or EEC codes established after the last upsurge of unrest, provided some useful guidelines at the time but are rapidly being outdated. The central lesson to be drawn from those many companies which have suffered labour strife—from Ford and Volkswagen to, most recently. Siemens, Metal Box and Rowntree Mackintosh—is that labour peace comes only when managements talk to the real representatives of the workers.

Finding out who those representatives are may not be as difficult as some companies believe, though working out a structure for industrial relations thereafter may be more problematical. Pretoria's legislation is in a sufficient state of flux for companies to be flexible. The greatest chance of industrial peace—and perhaps even for the ultimate wellbeing of the majority of South Africans—lies in genuine negotiation between black workers and managements. This is the direction in which some . South African business leaders are now beginning to move and it should be followed by foreign

The quality of education

TO ACHIEVE a sustained eco- The impending decrease of the nomic recovery by making the most of new technologies, the UK will need more than sharper competitiveness in industry and commerce. It will also require

a workforce adequately equipped with the skills and attitudes to develop, supply and sell the goods and services which the world's markets will demand. The importance of education and training in this context was emphasised by the Central Policy Review Staff 10 months ago. On the present effectiveness of the country's education and training, which is provided largely by the public sector, the CPRS was unequivocal. The system, it said, "is rigid, conservative and slow to respond to new industrial re-

Confusion

The Government's determination to make the private sector leaner and hungrier, however, has apparently not been matched by a similar determination to make public-sector education and training more effective. It is true that the fragmented, quasi-autonomous boards, authorities and institutions notionally responsible for these activities have borne a considerable share of public sector economies. But the evidence is that the effect of the cuts has been mainly to render the suppliers of education and training not only fragmented but confused.

The latest evidence of this confusion came yesterday from the Committee of Vice-chancellors and Principals which represents the chief administrators of the UK universities. The vice-chancellors complained that the Government's newly disclosed intention of imposing on them further economies in State funding, in addition to the loss of income following the raising of overseas students' fees, has presented the univer-sities with managerial problems which they cannot solve in any sensible way. The committee repeated its several previous warnings that the inevitable result will be closure of some of the country's 44 university cammuses and a loss of quality in

those which remain. neticeably less than successful interest of maintaining quality, in providing the economic and the Government should be social advances expected of it. prepared to meet that cost.

population aged 18-plus from whom 95 per cent of students are drawn, strengthens the argument that the UK's higher educational sector has grown too large.

What must be avoided is deterioration of the quality of the service provided by the surviving institutions; a loss of quality which the vice-chancel-lors rightly suspect as the probable result of the Government's imposing economies clumsily as to guarantee the maximum amount of damage above Walkers for a minimum of saving." But criticism does not apply only to the way savings are being imposed on universities. The same can be said of the Government's approach making economies on other equally important parts of the education and training complex.

The schools, for example, were recently reported to be suffering from worsening deficiencies in their capability to teach even basic subjects like English and mathematics. making economies, most education authorities were declining challenge of negotiating with teachers' unions the compulsory redundancies which would enable the schools to preserve balanced curricula. preserve Instead, the authorities were generally cutting the types of expenditure which offered least resistance, and leaving the teaching capability of schools to be determined by the chance effects of "natural wastage," effects of The vice-chanceliors clearly fear that the universities are being out in the same position, with probably a similarly damaging

Redundancy

Given the strategic importance of education and training. the Government cannot afford to leave it to the relatively cumbersome and politically confused managerial mechanisms within the complex to decide how the economies shall be made. It is time, as the CPRS put it, for the Government to give a "more effective siger." The important point is that the those which remain.

Closure of some universities

and polytechnics and colleges

need not be detrimental. The

reduced amount of money available should be spent effectively. If a stronger steer requires extra short-term large increase of higher educa- expenditure in compensating tion in the 1960s has been those made redundant in the

How the City got weaving

By Richard Lambert, Financial Editor

C TONE-PLATT is a UK Sengineering and textile machinery group with a leading position in world markets in a number of its products. Tough market conditions combined with management shortcomings brought it to the brink of financial disaster a year ago.

The story of how it got into trouble and how—as a result of the reconstruction announced yesterday-it has been returned to a more stable footing is important in a number of It illustrates in a magnified

form the problems being faced by wide segments of manufacturing industry in the UK. It suggests that the financial com-munity is taking a constructive attitude to these problems. And if Stone-Platt does recover its former glories, the implication will be that there is after all a gap in the UK capital market, which justifies the existence of special financial institutions to provide equity.

Yesterday's package would not have been possible without the support of Equity Capital for Industry, the City body which was put together by institutional investors in 1976, and has been looking for a role to play ever since.

Through most of the 1970's, Stone-Platt appeared to be one of the engineering industry's accounted for two thirds of UK output, its balance sheet was strong, and its return on capital employed was well over 20 per cent. Profits and sales in its textile machinery division, which accounted for over half the group's business, rose steadily with the help of some shrewd acquisitions in the U.S. and the UK.

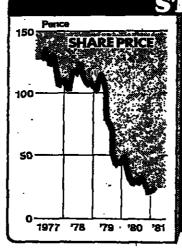
In international terms, the group appeared to be well to the fore in product development, especially in high speed openend spinning frames.

But the market for textile machinery was changing, and with hindsight it is clear that Stone-Platt failed to adapt itself in time. Its home market, the Lancashire cotton industry, had been dwindling for years but the group had been able to compensate for this by selling big turnkey contracts to the developing world.

As the 1970's wore on, these contracts-in which Stone-Platt was the world leader-became harder and harder to secure. Textile companies began to specify particular pieces of equipment, instead of taking packages. integrafed big integrated packages. Whereas Swiss and German competitors - companies like Rieter, Zinser or Ingolstadtturned their attention to continued to search for those elusive block-buster deals.

It was, according to the new totalled £2.9m pre-tax — and chief executive, Mr. Robin that was just the start. The Taverner, the old story of an decision to close a large textile organisational structure looking for sales to support itself, rather than adapting itself to the level of available sales.

At the same time, the competition began to catch up with the group's lead in open-end spinning frames. The overall effect was compounded by the impact of the sharp rise in



The story of how Stone-Platt got into trouble

of British manufacturing industry. But

that the financial community is taking a

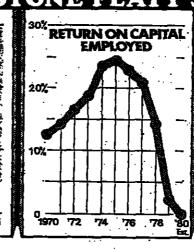
highlights the problems faced by a wide segment

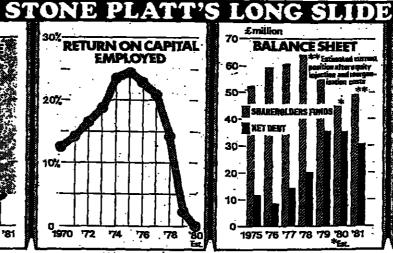
yesterday's reconstruction package also suggests

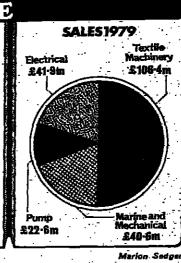
constructive attitude to these problems. And it

indicates that there may be an equity gap in the

capital market which could be filled by tailor-made







The Stone-Platt line up: Mr. Robin Taverner (left), group

chief executive; Mr. Leslie Pincott (centre), chairman; and Mr. Ray Whitfield, deputy chairman and new chief of the

in 1976, when the textile machinery division made profits of over film on sales of began disastrous slide in the group's share of world markets—which was in any case being increasingly squeezed by the troubles of the international textile industry.

financial institutions

disguised by the weakness of sterling and the fact that some big long-term contracts were still passing through the works. But by 1979, it was clear that Stone-Platt was stuck with far too much capacity in its Lancashire factories. For the outside world, the

first real jolt came in January of that year, when out of the blue the group warned that profits for 1978 were going to be much worse than had been expected. A few months later came the announcement that the director responsible for textile personal reasons. That was smaller contracts Stone-Platt ment changes in the Lancashire business. For 1979 as a whole, the loss

tagether with other special chunk out of shareholders' sterling on export margins. cross default clauses so that
After reaching a high point substantial borrowings became cross default clauses so that in order.

technically repayable demand. At that point, its bankers could have pulled the

Remarkably enough, Stone-

Platt was not aware of the dangers of this cross default clause when it announced its preliminary figures half-way through March-but within a For a time, the problem was matter of days, it was negotiatisguised by the weakness of ing for its life. It had to move quickly, not only because of fears that one of its 13 banks could break ranks and insist on repayment, but also because the misleading: as a result, shares of false information.

The Bank of England then played its key role in the The former deputy affair. deputy Governor, Sir Jasper Hollom, chaired a long drawn out meeting of the bankers at the Wood Street offices of Stone-Platt's financial advisers, Hill Samuel

According to the merchant machinery was leaving for bank, the presence of an impartial chairman of his standfollowed by a string of manage- ing was of great value in cir-mest changes in the Lancashire cumstances where a large number of different lenders were being called on to take big decisions in a tearing hurry.

The banks, led by Midland, agreed to rally round. Stonemachinery factory in Oldham, Platt, the argument ran, was an engineering conglomerate with charges, brought a total charge a number of healthy subsidiaries to reserves of £17.5m. This big — and a big problem in part - and a big problem in part of one division. Its textile funds meant that the group was machinery interests in the U.S. in breach of the capital require- and Spain, which could rely on ments of one of its medium a big home market, were still term loan agreements—which making profits. The group had

negotiation were onerous. Subject to stringent conditions, loans and overdraft facilities were to be available only until

January 1982, when there would have to be further negotiations. Since the textile machinery side was still losing money, it was clear that the group could not trade its way out of its troubles. It was going to have to sell some businesses, and also find new equity. A conventional rights issue

was out of the question. The dividend prospects were nil, and the fall in the share price had reduced the group's stock market value to under £12m. In a standard rights issue, a company can reckon to raise roughly a fifth of its market capitalisation. Stone-Platt needed a lot more than that Hill Samuel approached

Equity Capital for Industry as far back as April, and was not turned away. But ECI said that any support would be conditional on an independent report on the market outlook for textile machinery; a report by accountants Price Waterhouse; and a satisfactory renegotiation of the latest banking agreement. After bad experiences in its early days, ECI wanted to

this was a viable business. While these conditions were being fulfilled the asset disposals were getting under way. The sale of the pumps division for over £11m to Indian Head Inc. was clinched by November. term loan agreements—which making profits. The group had This was, the group said, a in turn triggered a number of to be given time to get its house busines which "in some respects we should have least wished to But the terms of the re- sell"-but it needed new invest-

ment to achieve its full poten-

A decision to sell the marine propellor business had been taken even before the crisis and after lengthy struck. negotiations a deal was finally announced last month. Other smaller activities have also been sold or closed. In total, the sales have reduced borrowings by over £16m, but they have also brought book losses of nearly £4m. By the autumn, a package

was beginning to take shape. The trouble was that the trading performance was continuing to deteriorate. The interim statement in August had shown a loss of £2.5m for the six months to June, but had suggested that this could be recovered by profits in the second half of the year. In the event, high interest rates and increasing losses in textile machinery brought a pre-tax loss for the year which was estimated yesterday at £5.7m.

gether with write-offs and other business-outside Lancashir special provisions, add up to also makes reasonable pro a charge to reserves of some £15m. Without new equity, that would have been enough to breach the terms of last year's interest in 1980. There is s ensure as far as possible that hastily arranged banking agree-

> So in November, Hill Samuel approached Finance Corporation for Industry, the subsidiary of Finance for Industry, which in turn is owned by the clearing banks and the Bank of England, FCI was revamped during the credit squeeze of the mid-1970s but-like ECIhas not found all that much in the time available to us."

to do since then. Although it is primarily regarded as a source of loan finance, it says that it has always been willing to make equity investments as

With FCI's agreement, the hasis for a settlement had been agreed by January and the masses of complicated fine print have taken some two menths to finalise. The Bank of England's role in all this has been limited to a brief meeting held at Hill Samuel's request at which the lenders were told about the proposed terms and timetable. However, in the words of one banker, the Bank was tremen-dously helpful in putting together the package last spring and the fact that it had shown an interest then certainly helped to smooth the subse-

quent renegotiations.

Under the terms of the deal which has to be approved by shareholders, Stone-Platt will double its outstanding share capital by issuing 40m of a special new class of shares, which will have priority in terms of income and capital over the existing equity. This will raise £10m before expenses. ECI and FCI will between them take up 12m of these shares, and together with Hill Samuel underwrite the issue of the rest by open offer to existing share-

At the same time the banks have entered into new agreements — involving just four of the UK clearers — which will provide £40m of borrowing facilities for the UK operations, including £25m in the form of a five-year loan and standby

All the participants were stressing yesterday that these new financial arrangements were being made for strictly business reasons. Said the man from the Midlaud: "This is a sound commercial decision. We wouldn't make a five-year commitment for up to £25m as a public relations exercise." Stone-Platt still faces daunt-

ing problems, and the prospectus deliberately leaves it to shareholders to decide whether they should risk putting new money into the business. There are no firm forecasts for 1981, though the stated objective is to break even before tax. The crucial point is that the

group has been given time...Its balance sheet will be very much healthier after the reconstruc-tion, with shareholders' funds of nearly £50m supporting loans of some £30m. It also has an impressive

new board line, up.

The electrical division males On top of this, a tax charge, a healthy return on its salesof on sales of roughly £40m. In the UK part of this division a whole lost £6.2m bef substantial short time work in Lancashire, where furt reductions in overall costs manufacturing capacity being implemented.

A turnround here is the Stone-Platt's long-te viability. "We are concern with manegment tasks," group said yesterday, " and believe they can be got ri

MATTERS

Treasury's heads

There are winners and losers from the Budget in Whitehall as well as among taxpayers. The most obvious loser is Professor Alan Walters, the Prime Minister's £200-a-day economic guru. Arriving from the U.S. less than 10 weeks ago full of fresh ideas, he has apparently been quickly countered by the mandarins and ministers of Whitehall.

He had been expected to be hard-liner supporter of a tight monetary policy. However, after four years in the U.S., Walters turned out to have some unexpected ideas. Armed with a gnomic_paper from a former close colleague (Professor Jurg Niehans of Bern University) he argued that the pound had been too strong in the last year because monetary policy had been too tight. So Walters called for a major relaxation of monetary policy

Either they are in training for the London Marathon or trying to prove to Maggie

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to get the pound down. These Thus, while half of the inter- now owns one-third of the ideas (based on Swiss experi- preters are discussing union Soditic equity, with the remainence) were widely discussed in the corridors of monetarism but did not go down too well in the Treasury, where the pro-posals were thought not to be

relevant" to the U.K. The result, according to one top policymaker, was that the regiment of Professors was quickly rebuffed.

And so it was that the embattled defenders of the medium-term financial strategy (notably Nigel Lawson and Professory Terry Burns) survived to fight another day, and Lawson at long last won approval for an index-linked gilt-edged stock, overcoming the entrenched scepticism of Gordon Richardson, the Governor of the Bank. Rnt in monetarism there are no permanent winners; the struggle

Wholly babel

Interpreters employed by the European Parliament have talked themselves into a corner over the one issue on which they are supposed to make no mistakes: language.
They were meeting to discuss

proposed staff boycott of the Parliament's forthcoming special session on EEC farm forthcoming prices, which many officials feel was organised without regard for themselves or their families The highly-paid polyglots had to decide first in which language they would conduct their discussions. French is the traditional lingua franca of the Common Market, but a number of Dutch Danish interpreters objected to this, and it was agreed that the upstart English should be used instead. Oddly enough, it was not the French who were most put out by this switch, but the Italians,

Such was the ill feeling Commerciale Italiana and aroused that it was decided that Banque de Paris et des Pays all future discussions should be Bas. Paribas, with which Such was the ill feeling

preters are discussing union Soditic equity, with the remainaffairs, their colleagues will be ing third in the hands of its top rendering them intelligible to management, headed by Maurice each other. Presumably, they Dwek. will change round at half time.

Boarding party Though final details of its pay

agreement still have to settled by arbitration, the National Union of Seamen has already sent out invitations to a reception in Clapham next week "to celebrate the succes of our recent worldwide dis-

An unusual sort of party, I suggested to Maritime House.
"Well, we don't often do it,"
my respondent admitted. "The last strike was in 1966 and the one before that was in 1911." Union members are paying a £6 levy from their 12 per centplus pay award to replenish union funds after the dispute. But they are unlikely to be-grudge the buffet and drinks celebration for NUS staff and other trade union officials who gave them support.

Shipowners are not invited. "They didn't invite us in to their little wake this week," I was told.

Swiss role

Sir Siegmund Warburg may have retired two years ago from the presidency of the London bank which he founded and which bears his name, but he still keeps a watchful eye over its affairs. In particular, I understand that it at least in part Sir Siegmund's own inspiration which lies behind the bank's move to take a onethird stake in Soditic, a Genevabased investment bank specialis-ing in syndication and export some of whom walked out of the meeting gesticulating wildly and protesting about discrimina.

Soditic was founded by Banca et to . . . interpretation. Warburg has close associations,

Sir Siegmund, now 79, has a retirement home at Bionay, overlooking Lake Geneva in Switzerland, But a heavy travelling schedule, telephone and telex keep him in touch, "I have a certain influence," he has conceded.

Misleading cases

Two stories for those of a medical disposition to ponder. The first comes from Italy; where convicted terrorist Francesca Bellere, 28, will shortly be moved to a prison hospital after two years under continual sur-veillance in top-security goals. Her condition? Pregnancy.

Ballere is keeping, well, mum about the whole business, but the moment of conception would appear to have been around the time that she attended the trial on one Fabio Brusa, arrested at the same time as her.

Which makes it all look rather awkward for those responsible for supervising the two in the security cage which Italian courts sport in terrorist trials. Magistrates are now said to be studying closely a filmed record of the proceedings. And so to Malaysia, where

Doctor R P. Pillai was appointed chairman of the country's medical advisory council on February 26. Nothing unusual about that. Well, only that Dr. Pillai died of a heart attack the previous December. "A technical error," I gather.

Entrancing

Crafty? He could follow you into a revolving door and come

Observer



"They gave me back my home, my friends, my whole way of life

When one has known a certain way of life, and rising costs look like taking it all away, who is there for people like us to turn to?

There is the Distressed Gentlefolk's Aid Association. The DGAA is run by people who inderstand. They know that we want to stay in our own homes, surrounded by our possessions, and close to the friends of a lifetime. o, they help us with allowances and with clothing parcels. Only when we can no longer cope do the DGAA see if they can offer us a place in one of their 13 Residential and

The more you can help the DGAA, the more the DGAA can do to help others. Donations are needed urgently. And please, do remember the DGAA when making out your Will.

, Nindf;

DISTRESSED GENTLEFOLK **AID ASSOCIATION**

VICARAGE GATE HOUSE · VICARAGE GATE

"Help them grow old with dignity"

The Treasury strikes back

AS A recipe for political success, Sir Geoffrey Howe's third Budget is a disaster—at least penditure, and has failed to do which the Chancellor was right. there is still room for in the chancel of the Since it appears to benefit no one except the blind and the disabled, the Chancellor now has practically everyone against him, including a large chunk of

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The local elections is untempered by experience. in May are already being written off as a total humiliation. There are the memployment figures, and perhaps the bankrupticies, which are expected to get steadily worse, Denis Healey had already at least for the next few reached the same conclusion months. In the autumn there when he was Chancellor several is the party conference, which years ago. Personal incomes could be awful.

There is also likely to be the public is not buying more sontinued speculation about Sir British goods. Indeed, when Geoffrey's own position. How demand for cars was approachlong is it going to be possible for him and (say) Mr. James British car output was actually Prior, the Employment Secre- falling. tary, to remain in the same Gabinet?

prospects appear so ominous, for 1981-82 was £14hn. That is Mrs. Thatcher has no alter- a level with which no British native but to stick to the Covernment would be prepared course which she and the Chan-Budget which clearly had her own personal stamp of approval Besides, who would replace him? The two replace him? The two different from individuals. In strongest candidates are already other words, there are limits to in the Treasury and are wholly

The main point about the its initial profligacy Budget is that it is an indict-inflation, a falling pound, then ment of the Government's resort to the IMF, deflation, record so far. Sir Geoffrey cuts in public expenditure and

so. The Chancellor has now trying to deliver. It is that you

delivered the bill. The Budget speech reads a better than it good deal sounded at the time. It is him, including a large chunk of the Cabinet. It is an open question how far the Tory Party can stand up to this kind of convulsion.

There are additional however.

have been rising steadily, but ing record levels in 1978,

The second fact is that before abinet? the Budget the forecast public Yet while the immediate sector borrowing requirement to live except perhaps in the

Sir Geoffrey sought to put it in simple terms when he said that governments were not so identified with the present ing. The last Labour Government discovered that after its Brittan and Mr. Nigel Lawson. first year or so. The price of

cannot spend the same money twice. New allocations of expenditure must mean cuts elsewhere, or more portowing.

Nowhere is this more clear than in the case of the revenues from North Sea oil. The belief prevalent that these are a

sector deficit had to be met by said, do not think in this way. argument about how it was done.

The Chancellor is at his most vulnerable for declining to raise income tax allowances in line with inflation, and stands conlast year's Budget speech. The starting point of income tax has f convulsion.

unless it were in the first bonanza still to come and are as been lowered in real terms. The There are additional horrors freshness of office when naivety yet unallocated. In fact, the number of taxpayers has been revenues are already there to increased. The gap between tax

North Sea oil revenues are being spent to maintain our current standard of living

our current standard of living and are already committed for the next few years. Treasury Ministers are at last beginning to admit that this is so.

To put the point another way. one only has to think what the cellor have mapped out. The first number of controller in the mapped out. The first number of certainly have been unacheen like now if there had been with any credibility is to sack ceptable to the last Labour no indigenous oil. It is quite that we should have had a continuing a one-dollar pound, a continuing balance of payments crisis. hyper-inflation and probably comprehensive import controls

The Budget is at least an is bleak, not because of the Budget but because the outlook is bleak. We have yet to deal with the problem of public expenditure outrunning public greater political discontent. revenues. Any Government,

the tune of about £4bn a year; thresholds and the main social they are being spent to maintain security benefits has narrowed. and those with the smallest income are among the hardest hit. None of these used to be Torv aims.

There appear to be three easons for the change of front. Firstly, full implementation of indexation would have cost £2.5hn and would have had to have been recouped elsewhere. Secondly, the Prime Minister was against the obvious alternalive of raising the basic rate. since that would have looked even more like a reversal of policy. Thirdly, the effects of attempt to deal with the situa-tion as it really is. The outlook lible to the taxpayer. You go on paying tax much as before, whereas an increase in the basic rate means a sudden jump and therefore potentially even

Sir Geoffrey's original arguwould say that it is an indict- an incomes policy which the ment of the habits of 20 years. Government had come to office deal with the same problem. We now dismissed as being general election. Yet if the broad Budget judged excessively sophisticated and the Tory back-ben argument. The fact is that the duce. It seems that people ment—that the rising public intellectual. Most voters, it is still paper tigers.

bulk of the Tory dissidents who If one wanted a single example demned by his own words in of the British habit of seizing on the wrong problem, this would be it.

The row over the tax on petrol is becoming one of the perennials of British politics. 1977 the Labour Government's proposal to raise it by 51p came close to wrecking the Lib-Lab Pact before it had begun. The Liberals said that it would penalise their rural supporters and Mr. Healey, as Chancellor, was obliged to withdraw it at a cost of £140m. Last year the Tory peers combined to defeat the Government over school buses for much the same reason: they said that the costs of alternative transport in the countryside would be punitive.

This year Tory MPs seem to has the largest rural conargue about, one is tempted to at doing it. say that the petrol tax should be raised every time in order to draw away the fire from more important issues.

A Government defeat on petrol tax in the House of Commons next Monday would be embarrassing, but it would not be humiliating. The revenue might have to be found by other means, but the Government They may still fail, but that will would still be entitled to say not change the nature of the that it had a good case. A problems to be faced. Perhaps Government defeat on its the one group in British refusal to raise income tax politics today without a coherent allowances, on the other hand, policy is the Left-wing Tory would almost certainly mean a critics of the Government's general election. In this sense, policy.

the Tory back-bench critics are

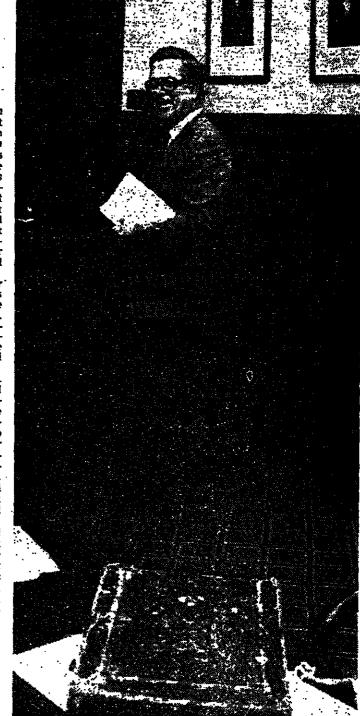
Certainly, the arguments which the Chancellor might appear too sophisticated for the still move. He is playing with the idea of separating certain have chosen to concentrate capital spending programmes ment of the poverty trap, but of return from the PSBR as on the increase in the petrol tax. We have known it factory formula has as yet emerged, but it would most likely involve a nationalised industry seeking to attract private capital into an investment project. The price for the nationalised industry would

be partial denationalisation.
What is striking is the way that the nationalised industries themselves seem to have sensed the change in mood. Proposals for partial de-nationalisation and for the injection of private capital are coming from them. British Rail is only one example.

 It comes back to a paradox Mrs. Thatcher is probably still winning the intellectual argument in the country. The realisation of the need to control expenditure, to break up be competing to say which one the big concentrations of power and to reduce waste in the pubstituency and is therefore the lic sector is growing. The probmost affected: Mr. Geoffrey lem lies in the performance. Rippon in Hexham or Sir The Prime Minister is very good Timothy Kitson in Richmond. If at saying what should be done; that is all that MPs can find to the Government is not very good

Mrs. Thatcher is also still capable of governing without recourse to the full Cabinet. The message of the Budget is that the attempt to control public spending will be renewed and that the Treasury team has been strengthened by the replacement of Mr. John Biffen by Mr. Leon Brittan as Chief Secretary.

Malcolm Rutherford



Sir Geoffrey, still looking cheerful.

Letters to the Editor

Index-linked gilts

From Dr. W. Scott. Sir,-In the Budget speech the Chancellor indicated that predominantly all of the overshoot in the public sector borrowing requirement was due to the failure to control public spending.

In particular, the Government major source of the banks' has found it difficult to implement the core part of its election manifesto—namely the transfer of both capital and result of this failure the voracious appetite of profligate government for funds has priced British industry out of the long-term capital markets.

For over a decade observers have grown cynical of the accuracy of Government budget forecasts and of the discipline with which they are enforced. Thus it has been correct to remain cynical about the longterm outlook for inflation.

This Budget marks the first occasion that this cynicism has been overtly endorsed in the Budget speech. It is surely ironic that a Conservative Government with a working expenditure side of majority should be the first to equation. openly accept that democracy in the UK has ceased to exist.

No doubt the flaccid logic of the Scott report on public sector. pensions played some part in the launching of an index linked gilt edged security. But the real rationale is likely to turn out to be much more sinister.

To date there has been an uneasy equilibrium between the extent of the Government's pro-fligacy and the price that it has had to pay for its funding. As of the issue of this new bond the ultimate in "spend now pay later" has been evoked. There is no doubt that this

will be the first in a series of such instruments. Offered the promise of a real rate of return the pension funds have ne choice but to invest. Since theact of honouring the inflation linking will in the long run be highly inflationary, the case is deeply endorsed. Thus the Government has found a method of totally pre-empting all other borrowers but itself from the capital markets; and it has deferred the payment of the bill until a time when it will no longer be in office. A little back of a eigarette packet (if we can still afford one) compound interest calculation will point up the terrifying burden that

we are placing on our children. And just as with the (oneoff) windfall tax on the banks, the government of the day will probably not honour the promises that this Government will

(Dr.) Walter Scott, Hillwood. Loanhead, Midlothian.

Windfall tax

From Mr. D. Mortin Sir,-I refer to the Chancellor's proposed windfall tax on clearing bank profits and I wonder what readers make of

this exercise.
'Apart from creating a precedent which might prove to be political dynamite during a future Labour / Liberal / Social Democratic Government, it seems to me that the banks have done a great deal to support British industry during the motor fuel I do not join in howlcurrent economic "difficulties." ing after Sir Geoffrey; instead Perhaps if the major banks I sit back in quiet admiration got together and drew up a list of him. of companies which, but for

their support; would have gone to the wall and presented this. list to the Government indicating that the plug would be pulled out putting several hundred thousand out of work, the Chancellor might be forced to reconsider the position. After all, the Government did raise Minimum Lending Ratae to 17 per cent in the first place and this, apparently, has been the

trial muscle, it would be labour resources from the pub- interesting to see the Governlic to the private sector. As a ment's reaction to a similar lic to the private sector. As a exercise carried out by the banks. D. W. Martin.

11. Braehead, Dalry, Ayrshire. Lost middle

From Mr. A. Phaure Sir,-I freely confess to you that I could easily throw myself out of the window. It is not the £60m on spirits, or the £910m on petrol—or even the fact that the PSBR target has been attained by altering the revenue side instead of the

No, it is the thought that at stroke of the pen. 10 years of my middle age have been abolished! How am I supposed to cope with the realisation that in 10 years' time I will

Angus Phaure. Bear House, Oxford Road, Gerrards Cross, Bucks.

Incentives for investors

From the Managing Director, Metal Tray Manufacturing Co.

Sir,—The Chancellor nounced various incentives and aids to start new businesses and industries. What about existing businesses and industries, and investors who are knee-deep in their commitments?

We invested and expanded heavily in our factory in Cornwall. One major incentive has been the 22 per cent regional development grant which we receive from the Department of Industry when the project is completed and the paper work approved.

Sir Keith Joseph decided that these grants should be deferred for four months after approval, in order to reduce his Ministry's expenditure. Did he realise what strain this deferment puts on the investors like ourselves? At a time when the Chancel-

lor is providing huge aids to nationalised industries, it is high time that investors like ourselves are also helped by removing this unnecessary burden of having to wait for four months till the grants are paid to us. Denis Healey did it, and I

hope that Sir Geoffrey will also

find it possible to do it now, at a time when we need it most! A. S. Dangour, 194 Goldhawk Road. Shepherds Bush, W12.

Sacrificial anode

From Mr. C. Hey. Sir,-Although I am not happy at the thought of paying ing after Sir Geoffrey; instead

understandable that those in-It seems to me that there are

people to complain at that Sir Geoffrey has simply put 20p on motor fuel, not just to raise money, but more as a sacrificial anode to attract the rage and opposition that would otherwise descend on the remainder of the Budget. If I owned one. I would take

my hat off to Sir Geoffrey. C. G. Hey. 33a, Belvedere Road,

China

Bexleyheath. Progress in

From the Chairman, Hongkong and Shanghai Banking Corporation.

Sir, - The article entitled "China's perplexing economic U-turn" (March 2) while raising valid points of concern to Western industrial nations, appears to those closely connected with Chinese progress to present a partially distorted picture.

We agree with the conclusion of the article that the West should support China's programme of modernisation as far as possible, if for no other reason than that a stable China is vital for Asia and the rest of the world. But the message of the article might make this more difficult in suggesting that China has lurched into a new period of uncertainty.

The Chinese Administration has been warning for many months that tighter control over expenditure was necessary, and that the period of reassessment might involve painful decisions. The question hinged more around the timing and scale of the cancellation of projects rather than on the advisability of retrenchment.

It is fair to argue that the new Administration, in its enthusiasm for adopting development policies, has allowed growth to outpace China's available resources. The result has been a shortage of domestic credit, energy, and resources, especially building materials. Many of China's problems are

not directly the result of bold and imaginative policies initiated from the centre but spring from the fact that the provincial governments lack experience and industrial knowledge to make proper use of the to take. Could I comment that freedom and encouragement there is such a thing as debt; handed to them from the centre. This has unavoidably resulted in a number of projects being funds to IBM on the Eurobond undertaken which are possibly irrelevant to China's immediate IBM debt if it was offered on needs and dependent for their reasonable terms. Further, I am completion on resources which have to be more usefully deployed.

The readjustment of policies now being undertaken requires because the numbers are large. political courage similar to that in Western industrial nations where deflationary packages are being pushed through. The decisive manner in which the Chinese authorities have tackled the problem of over-expansion, should be regarded as a positive attribute rather than a negative

It is evident that since the programme of modernisation was started there has been a very real improvement not only in the standard of living in China but in China's long-term capability as an industrial The task facing the Govern-ment of China is daunting, and

it is understandable that there

so many items in the Budget for contracts should feel dismayed about progress. Any involvement with China, however, requires patience and a long-term approach. In our opinion that approach still inspires confidence.

Michael Sandberg. Hong Kong.

IBM in Europe

From Mr. J. Newman Sir.-May I comment on why Mr. Maisonrouge of IBM (Computer Survey, March 2) is quite correct in surmising European Governments and the EEC should and will act in a discriminatory fashion against IBM-just as the UK Government has recently acted on the award of the PAYE computer contract?

IBM is in a dominant market position. While Mr. Maisonrouge contends that there has been no abuse of its monopoly. it is clear that potential for abuse exists. As there is no safeguard that this monopolistic position will not be exercised in the future. EEC members should discriminate against IBM to build an alternative industry -if this is possible.

It is of concern that a large part of Europe's computer capability in the defence area is in the hands of a U.S.-owned and controlled corporation.

EEC Governments now recog nise that the computer repre sents a growth industry of the future. They should not want the major part of this growth industry to be in the control of non-Europeans. Hopefully. the EEC will endeavour to retain the industry's profits and allocation of future investment

in European hands. Mr. Maisonrouge mentions your interview that a brief was prepared for the Europeanisa tion of the European members of the IBM group. By this was meant the quotation on European Stock Exchanges of the equity of a new holding company of all the European subsidiaries. This plan was dismissed as the equity, being several billion dollars, would be too much for the markets I am sure European banks and institutions (who already lend market) would be able to take sure there are many merchant banks who would be most willing to advise. It is inadequate to dismiss Europeanisation

For the sake of IBM's employees and its future in Europe, Europeanisation should at least be considered seriously. Although at first sight it may be thought that this would lead duplication of research despite the fact that unemploy- facilities in Western Europe ment will probably increase, and the USA, in areas of computer technology, I am not sure that this is not a good thing, since competition has always led to better products. The analogy for this action is that of the U.S. Government itself in the early part of this century in its attitude to foreign owned cartels. I would suggest that finance Ministers of the EEC member states and the EEC

Commission itself adopt a police of Europeanisation of IBM

forthwith. will be setbacks, and equally John A. Newman. volved in the cancellation of 115 High Holborn, WC1.

GENERAL UK: Dr. Gerard Vaughan, Health Minister, visits research facilities at Southampton Uni-Mr. Cecil Parkinson, Trade Minister, leaves for visit to China and Hong Kong (until

March 23). Mr. Michael Foot, Opposition leader, addresses Labour Party ford. meeting, Guildhall, Preston. Building Societies Association Majestic, Council meets to decide on March 18).

mortgage rate, London.
Labour Party Scottish conference opens, Perth (until March 15).

Institute of Biology conference on water pollution, Austria,

Today's Events

Prince Philip visits Merseyside: opens Freeman Chemicals laboratory, Deeside; opens Smith Aviation Services aero-drome at Wellsbourne Mount-

Fair Gift opens, Harrogate (until Sir Ronald Gardner-Thorpe, Lord Mayor of London, dines with the Cordwainers' Company,

Law Society's Hall, WC2.
Overseas: Foreign Ministers of Algeria, Canada.

France, India, Mexico, Nigeria, France, India, Mexico, Nigeria, Sweden, Tanzania, West Germany, and Yugoslavia, start two-day meeting in Vienna to plan a North-South trade and economic summit to be held in Marian and Start to be held in Marian and Start two-day meeting in Vienna to plan and the start two-day meeting in Vienna to plan and the start two-day meeting in Vienna to plan and Young People Trade Fair opens, Cologne (until March 15).

Boat Show opens, Amsterdam Parliamentary Business. Mexico.

The Presidents of Tanzania, Uganda, Burundi and Rwanda. and Ministers from Kenya and Zaire hold a "good neighbour-liness" summit meeting in Dar es Salaam, covering economic and security issues.

European Parliament session Nelson David.

concludes, Strasbourg.
Travel and Vacation Exhibition opens, March 17). Helsinki (until International

House of Commons: Private Members motions. OFFICIAL STATISTICS Building societies monthly figures for February.

COMPANY RESULTS Interim dividends: Prestwich Parker. Yarrow. Interim figures: Goodman Bros, and Stockman,

What every cost-conscious plant management needs these days is a good look at their steam, water and compressed air services.

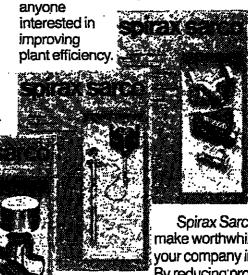
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R. Dutch/Shell falls to £2.2bn for year

A FINAL quarter net income down from fibn to f436m has left the total for the Royal excise duties and similar levies of 1980, against £3.05bn.

At the six months stage net income had risen from f133hn against £342m (£440m)

At the six months stage net income had risen from £1.33bn to £1.4bn.

If the year's figures are adjusted to exclude the FIFO method of inventory valuation, and of currency translation and conversion, net income was 13 per cent below last year's level at £1.52bn (£1.76bn).

E755m (£559m), and interest and other income was £342m (£440m) will revenue of £34.26bn (£29.65bn).

Net income per 25p share, and FI 10 Royal Dutch share was 78.12p (112.19p) and FI 23.66 (FI 29.49) respectively.

Shell dividend is 19.1p net per share with a final navment of at £1.52bn (£1.76bn).
Group aggregated results in

Shell dividend is 19.1p net per in Western Europe and competition freession and the reporting of local currency results in threngthened sterling. In particular, a significant improvement of some 37 per cent in the lollar earnings of both Shell Oil and Shell Canada was reduced to an increase of 15 per cent in the increase of 15 per cent in general were adversely affected by the recession and the reporting of local currency results in strengthened sterling. In par-ticular, a significant improve-ment of some 37 per cent in the dollar earnings of both Shell Oil Co., of the U.S., and Shell-Canada was reduced to an increase of 15 per cent in sterling terms.

gas earnings showed some under-lying improvement, but their ability to recover increased costs in the market place was reduced by the competitive advantage of companies with access to cheaper sources of crude oil, the directors state.

Significant losses incurred by the chemicals seg-ment in Western Europe, and the group's net income was also affected by the rise in tax from £2.59bn to £3.06bn, which was primarily due to higher taxes attributable to oil and gas production

The directors say that the ressure on margins experienced in the final quarter of the year is continuing, and has been exacerbated by further crude oil price increases. In the chemicals segment there are, as yet, no signs of a recovery in the business in Western Europe.

The economic recession, which has led to falling levels of demand, evershadows the outlook for oil markets, they state.

The ordering treession, which the exploration and production sector. This resulted from higher prices for crude oil, natural gas high level of stocks, and the the 8 per cent increase in produc-continuing enhanced production tion of crude oil due to produc-

£438m to £350m making a total

£22.7bn to £25.3bn.

ings eased 2.3p to 36.9p.

products showed a

time of rising crude oil prices— the FIFO method, earnings for 1980 amounted to some £1.24bn

Oil production operations benefited from further increases in crude oil prices, but volumes of equity crude fell, predominantly as a result of production restrictions under government depletion policies in various pro-

depiction policies in various producing areas.

Products markets became increasingly dominated by the recession and by the effects of higher prices, which led to energy conservation and substitution for oil. This resulted in a decline of 8 per cent in the sales volumes of oil products while the reduction for the industry as a whole, outside North America, was 5 per cent.

The improvement in Shell Oil's earnings from oil and natural gas operations arose principally from The orderly reduction from the and natural gas liquids and from of certain producers, means that tion from properties acquired this level of oil demand can be from Belridge Oil Company.

full benefit was greatly reduced

However, chemical operations

In 1980 the dollar weakened

British Petroleum dropped from throughout the year, although the

122.7bn to £25.3bn.

On a current cost basis yearend net income was down from
£602m to £577m.

The 1980 net dividend is being
raised from an equivalent 17.5p

raised from an equivalent 17.5p The UK-based activities were to 20.25p per share with a final 2p higher at 14p. Historical strong pound and as a result, the earnings per 25p share fell 13p. loss from the UK chemical side to 91.5p, while current cost earnings are a 2.60 to 2.60 was £131m.

As the world recession began by 17 cents against sterling (18 to bite last year, BP sold smaller quantities of crude oil, refined effect of this on U.S.3 income

products, chemicals and natural and cash balances is estimated at quantity.

for 1980 of £1.43bn, compared by increased taxes, with £1.62bn, on sales up from

gas. Only coal among its major £85m (£80m).

mix. In the case of Shell Canada, the oil and natural gas results benefited mainly from improved market conditions for oil pro-

The chemicals segment, excluding Shell Oil and Shell Canada, reported losses for the year of £72m (£217m profit). After adjusting for FIFO there was a loss of some £77m (£137m profit).

Shell Oil's earnings from chemical products decreased, principally due to a 4 per cent fall in sales volumes resulting from adverse economic influences, and higher depreciation charges and other operating costs of new units.

Sales quantities of coal traded internationally rose by over 40 per cent to 7.9m tonnes. This increase contributed to reduced unit costs, while there was an improvement in unit sales proceeds resulting in an improved trading performance. However, the loss of the coal segment for 1980, which was reduced from £33m to £25m, continued to reflect the costs associated with the development of an integrated coal business.

Shell Oil's sales tonnages of coal amounted to 2.9m tonnes. Earnings of the metals segment of £10m for the year were significantly below the high level of 1979; although aluminium and tin performed particularly well, other areas of activity were affected by the current economic.

BP net income down to £1.4bn but final raised 2p

product streams.

previous year.

Contribution to income from the group's production activities in the North Sea and in Alaska, through the U.S. associate Sohio, prospect of a return to profitable in the North Sea and in Alaska, prospect of a return to profitable in the form of taxes and taxes are taxes and taxes and taxes are taxes and taxes are taxes and taxes are taxes and taxes are taxes are taxes and taxes are taxes

When industry felt the wind of change many companies wished they had built their

It was one of BTR's strong points. As an international force, we operate in the world's key industrial markets. We have the strength to finance new investment and the expertise and resources to keep

From strength to strength.

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01-834 3848.

future on firmer foundations.

the the U.S. improved.

European activities in certain

In the UK North Sea, the group's share of production from the Forties and Ninian Fields

averaged 513,000 barrels per day, compared with 504,000 in 1979.

Proceeds from this production

rose as its value increased in line with prive movements of OPEC crude oil of similar

The benefit to net income,

Sohio's chemical and plastics

interests, previously held through 90 per cent at present.
Naphtachimie, have been Total tax charge increstructured to strengthen 1980 from £2.27bn to

operations, however, increased £1.25bn (£498m) wincome as product margins in leum revenue tax.

sector improved owing to better level, if the acquisition of cost recovery and a better sales Belridge is excluded. The net increase in inventories, receivables and payables amounted to £1,411m, reflecting primarily the increased cost of crude oil supplies and a change in the mix of supply sources which led to a reduction in credit received from

suppliers. Including a reduction in cash holdings and an increase in short-term debt (excluding short term part of long-term debt and of capitalised lease obligations), Group cash and short-term securities remain adequate in

relation to the day-to-day requirements of the business. Meanwhile, long-term debt remained at about the same level as in 1979, and the long-term debt ratio fell to 23.7 per cent at the year end.

	1980	1979
Revenues:	£m	£m
Seles procesds	40,205	35,477
Sales, texes, levies	7,045	6,830
Leaving	33,160	28,647
Associates	755	559
Interest, income	342	440
Making	34,257	29,648
Costs and Expenses:		
Purchasing & operatg.	24,275	19,697
Selling, gen, admin,	2,230	2.283
Exploration	491	375
Research & davelot	206	189
Depreciation	1,103	879
interest	399	358
Tax	3,081	2.591
Minorities	267	223
Making	32,032	26,595
Net income	2.225	3,051
Sue Cameron w		Shell
Transport and Made	viiles.	SHE1
Transport and Trac	ung, m	ie Ur
arm of the group	p, yesi	terday
insisted that its re	esults '	musi

be regarded as satisfactory" in view of the difficult trading con-ditions of last year.

increase in taxation charges." The position in its downstream operations—oil products and chemicals—had "not been easy in 1980." Costs had risen and volume sales had fallen, largely because of the recession Trading conditions had worsened, as 1980

had progressed. But Shell Transport, whose ffected by the current economic share of the group's net profits ecession.

Share of the group's net profits fell by 30.3 per cent from £1.24bn to £864m last year, stressed that

mainly due to Alaska and the North Sea. UK tax rose from £557m to £1.39bn, of which

£1.25bn (£498m) was for petro-

Funds generated from the

group's operations amounted to

£5.71bn, while there was an increase in finance debts of

£553m. These funds were used

mainly to finance capital expendi-ture—up from £1.6bn to £2.17bn

-payment of taxes, and an increase in liquid resources.

Working capital, excluding liquid

resources, fell as oil stocks were

reduced by 4.7m tonnes.
The group continues to invest

have been Total tax charge increased in strengthen 1980 from £2.27bm to £2.96bn.

Earnings from the oil products was 24 per cent above last year's the outlook was "not all gloom." The company said it saw "enormous opportunities" in the longer term and believed it them." The rise in oil prices meant it would become increasingly practical to develo small, technically difficult oil reser-

> In the longer term also, Shell described itself as "bullish" and said that one of its present and said that one of its present difficulties was to find enough high calibre technical staff.
>
> Last year in London and the Hague the group had had to follow up 13,000 job applications to recruit an extra 530 people of "the right quality."
>
> The group's capital spending—up 24 per cent in 1980—was

-up 24 per cent in 1980-was again expected to increase in

again expected to increase in the current year.
Shell spoke out against the UK Government's imposition of the new Supplementary Petroleum Duty. It said tax changes would cost Shell UK an extra £100m. Mr. Peter Baxendell, chairman of Shell Transport, said yester-

day it was a great pity that there had been a "complete change" in the principle of North Sea taxation "The whole point of Petroleum-

Revenue Tax was that it recognised the very, very high investment we have to put in before we get a drop of oil out of the North Sea," he stated. "The most worrying thing about this new tax—which is

really a fourth layer of tax—is that we will be taxed on every barrel we produce after the first,

ditions of last year.

Results had been adversely affected by the sterogth of stering the "significant" to decline from around 52m to decline from about barrels a day in 1979 to about 49.5m barrels last year. In 1981 the figures was likely to be below 48m barrels.

The company said that if Saudi Arabia continued to produce at her present levels and if Iran and Iraq stepped up their combined crude production from the present 4m barrels a day to 6m or 7m barrels a day, there

BP separately received in 1980

Kuparuk field in Alaska for pro-

duction to commence in 1982.

sales to third parties are now

mainly by Sobio, although there

are certain continuing crude oil sale commitments principally to

£338m (£345m).

of £61m (£7m).

United Biscuits results are a

despite the effect of the exchange rate on profits from the important U.S. interests and severe prob-£3m in the year. In UK biscuits the group dropped market share prices were largely offset by the new windfall profits tax to give slightly, preferring to hang on to its profit margins — in 1981 it a rise from £472m to £496m in aims to hold both margins and Schio's contribution to group prices as the benefits of the big net income. On a current cost capital spending programme basis, the Sohio contribution was come through in terms of lower costs. Following the rights issue a year ago the balance sheet is very strong, and it is how clean a direct net profits royalty interest from Alaskan production after a parcel of asset write-offs. This should be the year UB sees A major new investment was initiated at the end of the year for the development of the worthwhile progress in earnings per share as well as profits; on 1980 figures the current cost return on capital is 12 per cent and the dividend cover a healthy Group sales of crude oil and 1.8 times. The 18 per cent

sale commitments principally to	•		•
BNOC.	SPAIN		
Product sales volume, exclud-		Price	
ing Schio, fell by 9.7 per cent	March 12	%	+ 65 -
with the largest reductions	Banco Bilbao	290	-2
	Banco Central	332	
reflecting the recession in Main-	Banco Exterior	258	
land Europe (11:1 per cent) and	Banco Hispano	275	-2
in the UK (12.3 per cent), but	Banco Ind. Cat	128	_
market share was generally held.	Banco Madrid	741	
	Benco Santander	323	-4-
The combination of supply cost	Banco Urquija	181	
disadvantage and reduced oil	Banco Vizcaya	312	
demand, which increased the	Banco Zaragoza	234	+4
difficulty of absorbing fixed costs	Dragados	154	+4
of shipping, refining and market-	Espanoia Zino	75	· · ·]
	Fácse	59	+0.3
ing, meant that 1980 returns	Gal. Preciados	32	-0.5
before interest and tax from the	Hidrola	68	I
group's oil trading activities, out-	berduero		-0.5
side Sohio, were just sufficient	Petroleos		-5~
	Petroliber	70	
to cover the replacement cost of	Sogefisa	87	
oil	Telefonica		+1
See Lex	Unian Elect,		-i 1
UVV DVA .			· 1

DIVIDENDS ANNOUNCED Total last year 525 17.5 8.63* 2.52 3.5 Date of Current payment payment 600; May 1 div. 350 12 4.5* 1.28 1.9 1.65 30 0.89 3.13 0.55 3.5 0.36 2.5 1.21 A.A. Gold Inv. May 14 May 21 March 31 City and Comm. Inv. ... Richard Clay 1.4 Corah 1.65 Coronation Synd int. 30‡ Davies and Metcalfe 1.02 April 24 April 30 May 7 May 1 90 1.34 East Lanc. Paper Habit Precision HTV Group int. Hunt and Moscrop int. Needlers Nu-Swift Industries May 8 April 3 Royal Duich 3.83 Sheli Transport 10.1 Stocklake int 1.5 Strong and Fisher int 2.8 4 6.8 Transport Devpt. 2.8 Tweefoutein Uid C int. 97t Utd. Bisquits 2.5 Utd. City Merchants int. 0.6 May 15 April 30 July 1 May 6 Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ S. African cents.

Excludes special distributions totalling 30.39p. 1 Dutch floring

BANK	RETUR	N
	Wednesday March 11 1981	Increase (-) or Decrease () for weak
BANKING	DEPARTME	NT
Liabilities Capital Public Deposits Bankers Deposits Reservs & other Accounts ASSETS Government Securities Advances & other Accounts Premises Equipment & other Secs. Notes	14,553,000 29,614,504 774,241,341 1,445,973,988 2,262,362,788 2774,425,856 915,434,749 947,803,017 23,894,445 494,715	2 4,311,076 + 246,361,105 + 87,570,740 + 329,520,769 + 520,740,000 - 583,508,484 + 381,524,588 + 789,521 - 24,896
	3,262,582,783	+ 329,680,769
ISSUE 1	DEPARTMENT	
Liabilities	£	£
Notes issued	10,275,000,000 10,251,105,554 23,894,446	- 789,571 + 789,571
Covernment DebtOther Government Securities	11,015,100 6,132,848,239 4,131,136,661	+ \$11,549,552 - \$11,649,852
· .	10,275,000 000	

Second half increase lifts United Biscuits

WITH ALL of the increase coming in the second half, taxable surplus of United Bisenits (Holdings) moved shead, as expected, to £47.8m for 1980, against £43.7m, on turnover up £89.3m to £880.3m.

Sir Hector Laing the chairman, says that the relatively strong performance in the six months to December strengthens the directors' confidence in their budget forecast for the current year, which shows a significant increase in both trading and pretax profits.

The dividend is stepped up to 4.37p (3.7p) net per 25p share with a final payment of 2.5p. At halfway, the pre-tax sur-plus was unchanged at £16.1m and although the chairman said that during the recession it was particularly difficult to make a forecast, he expected the full year's figure to exceed that for

Profits for 1980 were struck after interest of £7.8m compared with £6.3m, and subject to a tax charge of £11.9m (£7.8m), which left the net balance unchanged at £35.9m—

earnings per share are shown as 12.1p (13.9p). There were, however, extra-ordinary debits of £20.3m (£1m) which comprised: £3.7m re-dundancy costs on closure of operations; a pension funding

for redundant employees of £2.3m; fixed assets surplus to requirements £5.7m, and £5.8m After this item and appropria-

tions the amount to reserves came out at £2m against £25.3m. On a CCA basis the pre-tax figure is reduced to £37.2m

comment

testimony to the quality of its basic business. Profits have moved ahead in the second half

HIGHLIGHTS

On a hectic day for corporate news Lex looks at the latest figures from oil giants BP and Reyal Dutch Shell. Both groups are showing the strain with lower net profits. Trust-house Forte came out as a surprise bidder for Savoy Rotel, where the Kuwait Investment Office already has a 21 per cent voting stake. Lex also looks at the liquidity and monetary control paper issued by the Bank of England. Finally, on the company front, Lex considers the latest results from the fastgrowing BTR group. On the inside pages there are some buoyant figures from United Biscuits, which caught the market out, while Transport Development Group reveals slightly lower full-year figures. Other major company news yesterday came from Stone Platt with a refinancing package and a forecast of a loss for the year.

Stone-Platt forecasts £5.7m loss for year

of Stone Platt, and its stream-market lining into an electrical market, engineering and textile Furth

business.

The company is forecasting picture for 1981.

group losses before tax of £5.7m The financial reconstruction is for the year to end December.

Yesterday, Mr. Leslie Pincott, the new chairman, stressed that, the new chairman stressed that. PSL's trading losses are expected

to be £6.2m The pre-tax figures are after

tax charges of £2m, largely because of overseas losses which could not be offset; a variety of disposals still under negotiation could lead to a deficit on book value of £3.9m, and the company has £3m of losses attributable to currency translations. The company is now slimming

itself to two divisions; the electrical division with projected sales of £65m; and the textile division, with projected sales of £80m. comprising Scrage and Saco-Lowell. Altogether, the company will have sales of £160m, compared with £211m in

This will be after the latest round of disposals which include the Marine propeller business. Fitched Pitch Propeller and the will have the stakes diluted by Controllable Propeller. Alcometaller and the vibratory proportion to their existing equipment business in Glasgow. All the stakes diluted by the controllable proportion to their existing holdings there will still be petroleum products in 1980 dividend increase leaves the As a result there will be 8,000 dilution of 15 per cent, because averaged 3.1m barrels per day shares, up 12p at 93p, yielding employees in 27 locations. In of the new capital injected by (3.7m barrels in 1979). Crude oil 6.9 per cent. in 52 locations.

The future profitability of the company — expected achieved by late 1982 heavily on progress at PSL Sales of £40m are projected for the coming year, on a trebled. pipeline order book. But even at that level, the division will probably make "a small loss before interest," Mr. Pincott admitted. Scragg, by contrast, is

THE FINANCIAL reconstruction breaking even with sustained market share in a depressed

Further reductions in costs machinery group; comes at a and manufacturing capacity are time of continuing losses in the also being implemented, the Lancashire textile machinery company said, and it is still not

with two minor exceptions, all covenants on its previous bank-the losses were occurring in ing facilities, Mr. Pincott Platt Saco Lowell in Lancashire. admitted. The board's recontinendation

that shareholders approve the The pre-tax figures are after interest charges of £7.6m on net borrowings which were still as bight as £43.2m even after the sale of the pumps division during the year for £13m.

Below the line losses increase to a total of £15m. There are to be injected into the company.

Equity Capital for Industry will provide £2m and Finance for Industry £1m. In addition, ECI and FCI will underwrite a similar amount and Hill Samuel, Stone Platt's bankers, will under write £4m of an open issue of 28m of new convertible cumula-tive preferred shares of 25p at

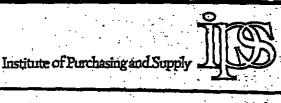
The new shares will carry a dividend of 1.25p in the first year, ranking after the dividend on the first preference shares. The offer is not a rights issue. It is open to any shareholder on the register up to April 1 and shareholders will be permitted to

apply for any number of shares. Shareholders who do not apply will have the stakes diluted by

MCALPINE/ WM. PRESS

Sir Robert McAlpine, a subsidiary of Newarthill, which has doubled its stake in William Press to 10 per cent, said yesterday: "The stake is a trade investment. It is not our intention to make a bid."

25 March 1981



STEEI WHAT IS THE FUTURE?

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STANDA ASSUR COM

TDG as forecast with £21.37m

PRE-TAX PROFITS of Transport some companies finding it a Development Group slipped struggle to remain profitable. from £22.26m to £21.37m in 1980, matching the figure fore-inadowed by directors last

prediction at the interim stage that second half profits would not be as good as in the first six months has also een borne out—taxable profits for the period were £3.05m lower than the first half's £12.21m. In 1979, interim profits were £9.56m pre-tax.

However, the dividend for the year is being maintained at 4.25p net with a same-again final of for the 12 months

totalled £263.68m (£248.25m). The current year, the directors

dividend at 2.9p per share with an unchanged final of 1.65p.

Sales of the group, whose largest customer is Marks and Spencer, rose from £39,7m to £43.2m.

The profits reduction was

largely attributable to UK opera-

tions, where the result declined

from £3.05m to £1.62m. The

recently formed overseas sub-sidiary incurred a loss of £14,000

nil), but the contribution from

Canadian activities increased to

says the present extremely diffi-

cult trading conditions are likely

to continue well into the second

2157,000 (£121,000).

For the group as a whole, profits to date are below those of a year ago, although it is pointed out that most trading companies are engaged in indus-tries which will respond with great rapidity to any upturn in the economy.

The surplus for 1980 was subject to tax of £6.81m (£7.51m). after which stated earnings per share, before extraordinary items, were lower at 10.62p (10.84p). Minorities took £375,000 (£272,000).

Extraordinary debits amounted

from £14.16m to £13.99m.

The directors state that the balance sheet is one of great strength—cash flow has increased to £32.5m, net borrowings have been reduced and cash resources have risen by £4.5m.

comment

After such a big Budget lift in the cost of road baulage, TDG picked a difficult day to announce the small profit decline foreshadowed with the Giltspur offer. The Chancellor's measures clearly imply a volume decline to £1.15m (£148,000 credit), being profit on sale of properties less deficit arising on translation to sterling of overseas net clearly imply a volume decline in haulage volumes and the gready down over £1m at the pre-interest level in 1980. But

On a CCA basis the pre-tax adapts quickly to any significant surplus is reduced marginally shift in demand and probably has about 5 per cent of its fleet off the road at present. More importantly, the bulk of its businesses in the UK are

mature, cash positive activities. These benefits became more pronounced last year, action on working capital has increased net liquid resources by £4.5m and the balance sheet is now less than a quarter geared. The CCA adjustment leaves reasonable cover for a maintained dividend and TDG retains very adequate scope to pursue its U.S. takeover amhitions. At 76p, up 2p yesterday, a p/e of just under 10 and a yield of 8.3 per cent point to the not inconsiderable defensive attractions of the

Corah declines sharply but holds payout

ALTHOUGH PRE-TAX profits tumbled from E3.17m to £1.76m cfor the year to December 26, 1980, Coran, manufacturer and group's business are busy, which the chairman says reflects its distributor of knifted clothing "We are well placed to take

advantage of the opportunities ahead," he adds.

The company is now well advanced on the largest capital investment programme in its history, and Mr. Corah says this is evidence of the Board's confidence in the long-term future of the business.

In accordance with its declared policy, the company is con-tinuing to broaden its customer base both in the UK and abroad. However, the Board intends to expand its business with Marks

At halfway, taxable profits had dropped from £1.85m to £1.02m.
Mr. G. N. Corah, the chairman,

strengths in spite of the prob-lems which have affected the knitted textile industry.

However, it has been felt necessary to reduce the pro-gramme of capital expenditure from the level originally plan-ned, primarily owing to the high

cost of borrowing.

Tax charge for the year was up from £397,000 to £424,000 and exchange debits were little changed at £141,000 (£139,000). Earnings per 25p share fell from

9.4p to 4.5p.
On a current cost basis, pre-tax profits were down from £1.89m to £511,000.

comment

Corah's 45 per cent pre-tax making sure its suppliers slump reflects poor, but not survive even if margins get expand its business with Marks and Spencer.

The policy of substantial investment in modern technology is being pursued. This investment is which amounted in the substantial investment which amounted its strong reflects poor, but not find that the substantial investment which amounted its strong reflects poor, but not find that the substantial problems associated with textile/clothing concerns in today's recession, but could have ment, which amounted to come through a good deal more future. At yesterday's 361p, up £1.92m in 1980, of which £568,000 scarred. Pre-tax margins, how- 1p, the shares yield nearly 12 While margins continue under was financed by lending, is ever, are showing the strain per cent and trade on 12.3 times pressure, most areas of the being directed towards achiev- with a fall from 8 to 4.1 per cent fully-taxed earnings.

ing greater efficiency and in 12 months. Interest payments, improved quality. up from £435,000 to £919,000, However, it has been felt took a hefty toll above the line necessary to reduce the profollowing Corah's large capital expenditure programme. The spending should be slimmed this year, possibly by £im from last year's £1.9m. Exports are doing well despite the strong pound, but at home the decision to seek growth through increased sales to Marks and Spencer leaves room for doubt of putting too many eggs in one basket. M and S already takes 60 per cent of Corah's output and does not immediately seem like the best route for expansion though the company has a reputation of

survive even if margins get

dented. Corah has a healthy

balance sheet and although it is not doing nearly as well as 14.4p (11.4p). Nottingham Manufacturing, is reasonably placed for the

Nu-swift edges over £1m mark

the fire fighting equipment manufacturer, increased by £1.2m to f13.45m for the year ended December 31, 1980, leaving pre-tax profits up from £900,101 to £1.09m.

The second interim dividend is maintained at 1.21p keeping the total for the year at 2.05p. In a statement, Mr. Ivan Dorr, chairman, says that despite the difficulties of the recession the board is confident it should be

able to pay an interim dividend

at least equal to last October's A full year's contribution from the company's direct involvement in Australia is anticipated Tax charges for 1980 were down from £437,349 to £288,096 and extraordinary items of £291,063 (ni) were also deducted. Earnings per 5p share were 4.02p (2.39p).

Findhorn rises and pays a bigger interim

Although taxable profits of Findhorn Finance, the whisky stock financing company, have improved from £103,168 to £125,942 in the half year to end-January, 1981, the directors say they are not a reliable guide to full year figures. Sales rose from £774,532 to £818,753. After tax of £19,286 (£17,679) the net balance emerged at £106.656 (£85,489) and stated per . £1 share were

The interim dividend is being stepped up from 5.5p to 6p net The Brighton-based company has an issued capital of £450,000 but no share quotation

Britannic Assurance

COMPANY LIMITED

RESULTS FOR 1980

Life Branches	1980 £000	1979 £000
Total Premium Income	88,868	74,964
Total Surplus for Policyholders	33,027	28,046
Transfers to Profit & Loss Account	2,730	2,310
General Branch		
Total Premium Income	11,741	9,242
Underwriting (Loss)	(861)	(819)
Investment Income	1,468	1,032
Profit after Tax	472	213
Stockholders	•	
Net Dividend for the Year	13.9p	11 . 9p

BONUS DECLARATION FOR POLICYHOLDERS

£6.00%

Ordinary Branch **Reversionary Bonuses** Ordinary Policies Annuities

£5.10% (1979 £4.80%)

(1979 £5.50%) of sum assured of annuity **PLUS**

increased scale of terminal bonuses **Industrial Branch** Reversionary Bonuses

> £4.00% (1979 £3.80%) of sum assured

increased additional bonuses

Britannic Assurance Covers the Country

East Lancs profits drop and dividend cut

from the Waldorf side, pre-tax profits of the East Lancashire Paper Group dropped from ZL61m to £102,591 for 1980. And the dividend is down from 4.79p to 3.5p net per 25p share with a

At halfway, profits were £63,000 ĭ£615,000). The directors say the group reathered the last 12 months easonably well, although certain companies suffered more than others. The resolving of the Waldorf Stationery and Greeting Cards situation has been of paramount importance, they state. There are few signs of an upturn in demand, although there

of the pressure of the company's dorf's loss being resolved, and the upturn the paper mill is experiencing — order intake

makes

headway

is evidence that overseas mills are becoming busier, taking some

shows an increase of 57 per cent and production 21 per cent over the same period last year.

The merchant group, is tending to reflect more accurately the general recession, which somewhat tempers directors' relatively optimistic view for 1981. So far this year conditions have marginally improved, and they expect that a slow growth in sales, combined with the rationalisation achieved through careful expansion in certain areas, will improve the merchant companies' profitability in the

coming months.
"Our view of the future is further reflected in our capital expenditure programme for 1981 which includes expenditure of £750,000 on a further automated paper sheeting line."

The directors explain that the The directors see a return to Walderf situation will be reamore reasonable level of profit solved in three ways; agreement with Deeko, a paper disposable products concern, to acquire the goodwill, manufacturing facili. East Lancashire Paper's profits in nery reflecting its the future. At 5 goodwill, manufacturing facili.

ties and stocks of social have slumped and it has cut its stationery; the greeting card dividend by a quarter, neverthe-business, which remained the less its performance still looks business, which remained the significant loss-maker in 1980, will be closed down; Waldorf will continue to supply nondecorative stationery to the educational and commercial

The total that is likely to be realised from these sales should be in excess of £900,000.

There was a tax credit of £697,289 (£217,815 charge) for 1980, and after an extraordinary debit of £563,257 (£233,491) and minority interests £11,497 (£9,563), the attributable balance (£9,563), the attributable balance tion to its other problem areamerged at £225,126 against paper merchanting. This lost £1.15m — extraordinary items comprised total costs less realised surplus arising on the restructuring and reorganisation of Waldorf £487,257, and other redundancy costs, net of tax, £76.000.

mill.

fairly impressive given the problems affecting the UK paper industry. The company has finally taken the axe to the Waldorf stationery business which lost £0.7m last year. The large greeting card operation is to be closed down, the social stationery business is being sold to another company and some of sold raising close to £1m. With the Waldorf losses terminated money last year on a turnover of close to £18m but the company argues that it needs a national merchant network to assure a market for its profitable paper-The group believes the worst of the recession is over nery reflecting its confidence in the future. At 54p the shares

Stocklake

TAXABLE profits of Stocklake Holdings rose in the half-year to end-September, 1980, from £857,090 to £1.29m and the directors say that results achieved so far in the second six months indicate that this period should also be satisfactory.

The interim dividend is being stepped up from 0.85p to 1.5p net last year a final of 3.15p was paid from pre-tax profits of

Sales of this holding company soles or this holding company with interests in exporting and importing, distribution, steel stockholding and financing, improved in the first half from £14.39m to £15.54m.

171351

The directors point out that the comparable figures have been restated to include the results of the Zimbabwe subsidiary, BRS (PVT), following a decision to consolidate the results of this company in the accounts for the year to March 31, 1980.

The surplus at the midway stage, which included £115,000 from the release of a deferred tax provision as a result of the latest Government proposals relating to stock relief, was struck after exchange deficits of £347,000 (£283,000) but was subject to tax of £626,000 (£553,000). Stated earnings per 25p share improved sharply from 7.2p to

UCM tumbles to £1m midway

panies taxable profits of United been obtained since the beginCity Merchants dived from ning of 1981,

£2.05m to £1.04m for the halfyear to December 31, 1980, on reduction in associates contributurnover some 10 per cent lower to the flotations from £319,000 to £97,000.

at £84.88m. The group's activities Results of Gordon Woodroffe of include international merchantMadras have been treated as an enterprise of the half year

adversely affecting conversion of where substantial overseas con- Rs 16 per share and are currently earnings of its overseas com- tracts for current shipment have quoted at Rs 26.

ing, timber agents, leather manufacturing and banking.

The interim dividend is being
maintained at 0.8p net per 10p
share—last time the total was

This follows the group cutting (£4,112,000). Pre-tax profit was its holding in Gordon Woodroffe in order to comply with the Indian laws. The reduction was achieved by the Issue of ordinary out operates, notable in the shares on the same of ordinary of areas in which the oup operates, notable in the shares on the same of ordinary operates, notable in the shares on the same of ordinary operates. now signs of an improvement in achieved by the issue of ordinary a number of areas in which the shares on the Bombay and group operates, notably in the Madras stock exchanges, which

WITH THE strong pound export of automotive products, were offered to the public at

was down from £1.05m to £0.56m.
At subsidiary's Stimpson

65 companies wound-up

COMPULSORY winding up orders against 65 companies were made by Mr. Justice Nourse in the High Court. They were:

Brighthart, Masterlife Batteries. Whitechurch Construction, Crown Miniatures, R. V. Turner and Co., Cavando, Robert J. Wilson (Haulage), Camdel Developments and Company, A. J. Evans and Co. (Painting Contractors), Brinley Vicker, Chinecastle, C. W. Merrill and Partners and Roofing Advisory Service.

Construction. S. and K. Caterers, Vigorway, Zulobond, Witindale, Paperidge, Gemland, Chesterease and Dart-

Gemlite Jewellers, Wicks Autos, Ability Cleaning Services, Wallrise, Pleckworth, Impro, Cuffberry and Orion Marine.
Harman (Q. A.) Consultants,
Highbridge Steam Cleaning Co. Canopus Theatrical Productions, Pitan Builders, Cassville, Michael Collins and Partners, Rockburgh Records and Apal-

Advisory Service.

R. and R. Doyle (Builders),
W. C. Buckland and Company,
Summerfield and Evans, Gregoire Builders, Aquilla Caravans, Caravilla Manufacturing Com-pany, Chris Milsome, George Hartley Developments and

PCP Refrigeration Services, Reinforced Plastics Engineer-Avus Removals, APH Dental, Elisa Commodities, E. Robinson Transport and Haulage, Muscle Television Realisations and Oakham Motor Company.

Needlers lower at £332,218

Needlers, the chocolate and confectionery manufacturer, slipped in the 53 weeks to January 3, 1981, from £360,653 to £332,218 despite a £1.35m rise in turnover to £7.51m.

However, a same-again single dividend of 2.5p net is being paid for the period.

As predicted at the interim stage, when the pre-tax surplus

stage, when the pre-tax surplus was lower at £70,014 (£134,829). profits in the second half improved, rising from £125.824 to £262,204—although at that time the directors warned that figures for the full year would not reach those of 1979.

Tax for the 53 weeks took £36,023 (£19,012) and stated earnings per 25p share were

down from 16.7p to 14.4p.

very strong position for the future. However, they add that an improvement in the general economic situation is needed for a recovery in profit level—but this is not likely until 1982-83.

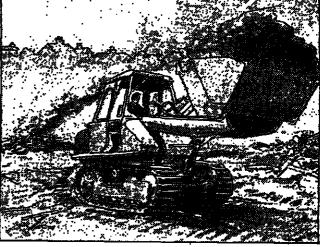
SPENCER LEATHER

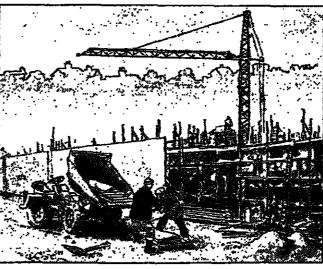
Company at March 31, 1980 amounted to £576,711 and the net loss at that date was £142,791. On June 3, 1980 an independent professional revaluation of Spencer's property was carried out and this produced a surplus over the balance sheet figure of

has agreed to acquire the share

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developer and builder. We've built thousands of homes in the south and west of England, over 8,000 of them in Crawley alone.

business into the commercial and industrial field as well

and that is where the emphasis of the Group has been

rapidly moving, both here and abroad.

This year, Crouch celebrates 50 years as a residential In 1978, however, we decided to extend the Group's

Since then, we've bought, refurbished, sold and let office blocks in London and New York and undertaken factory and office developments in this country. Current developments, when completed and let, will have a value of some £10 million. We are also building up a sound portfolio of property investments – recently valued at £4 million - and establishing good rent rolls. If you would like to know more about why we view

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our future with confidence, write to The Secretary,

Crouch Group Limited



THE **Countryside Props** STANDARD LIFE **ASSURANCE**

COMPANY THE ONE HUNDRED AND FIFTY FIFTH ANNUAL GENERAL MEETING of the Company will be held in the the record profit achieved in the corresponding period last year. Head Office, 3 GEORGE STREET, EDINBURGH, on TUESDAY, 24th MARCH, 1981

at 230 p.m. By Order of the Board of Directors G.D.GWLT General Manager and Actuary

EDINBURGH 10TH MARCH 1981

chairman and mauaging director of Countryside Properties—pro-perty developer and house builder—said at yesterday's annual meeting that the profits for the half-year to March 31, 1981, will be somewhat less than

This is partly because there will be no sale completions of commercial property developments during the first half. The results will be totally dependent on the level of sale completions of new housing, which are being affected by the low level of reservations achieved during the

latter part of 1980. Even so the directors' intention is to maintain the interim profit came out at £903,000 on a dividend at 1.4p. The total turnover of £14.5m.

MR ALAN H. CHERRY, deputy dividend for the year to September 30, 1980, was 3.5p. The outlook for the full year is much more encouraging Mr. Cherry said. The housing market since the start of 1981 has seen

some improvement. The value of forward sales of the group's housing currently stands at around f6m, to which may be added some £5m of forward sales now contracted for the commercial property developments, he said.

With the house sale completions achieved so far the forecast for the remainder of this financial year it is expected that turnover could again be at record levels for the group and profits at least approaching those achieved last year, when taxable

TAXABLE PROFITS of Needlers, the chocolate and con-

The directors point out that profits of Dickson Orde and Co. (Holdings) are included from the acquisition date in April to the end of the year. They say it has not proved possible to recover full development costs of new products within the year but the company is now in a

Net assets of Spencer Leather

£467.000. Garnar Scotblair, as known

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Arthur Sandles sets the scene for Trusthouse Forte's surprise bid for the ailing hotel group

Sir Charles' sense of timing heralds a classic Savoy soap opera

WHATEVER THE outcome of Knightsbridge axis. At the same 59 per cent of hotel beds were 11 from Grand Metropolitan and Claridges—rank the Trusthouse Forte bid for time it has placed a particularly filled in 1978 in the higher priced none from the Savoy group. the Savoy group the irrepressible Sir Charles Forte has shown once more his quite remarkable sense of timing. This is, after all, the same Sir Charles Forte who snapped up the Lyons hotels when that group was strapped for cash. This time Sir Charles has struck at a moment when the Savoy group is in self-confessed difficulties—why else sell off rooms in what is claimed to be one of the world's greatest hotels?—and when most of the industry's pudits are suggesting that better times are ahead.

The Savoy's problems lie largely in two areas. The geographic location of its main property is no longer an advan-tage since the prime hotel belt ber figures from the English has moved towards a Park Lane- Tourist Board showed that while

Bentley buys

25,000 shares

in Bardsey

beneficially 2.025m

mary stares.

announced that following the

'ed Tebruary 28, all require-

"r's in connection with the

recession or repayment of the

15 per cent convertible resoured loan stock 1983 have

been satisfied. No loan stock

TSB increases

offer for UDT

Pressure from holders of

holdings so it can compulsorily

acquire the remainder and cancel

the listing. It has only received acceptances from 40.8 per cent to 65.9 per cent of each pre-

pref. shares

strong marketing emphasis on the U.S. and has thus become more than usually subject to the ebbs and flows of that market. The Savoy may be thrown back on its share structure, devised in the wake of the 1953 Land Securities bid, rather than logic to beat off this particular

By any yardstick, London hotels have been going through a difficult time over the past two or three years. The tourist boom provoked by a weak pound and accentuated by Jubilee year evaporated as sterling appreci-ated London lost much of its hotels, this figure has fallen to 51 per cent in 1979 and dipped again to 45 per cent in 1980 Rut and many hotels did even worse

Notably strong have been Trust-house Forte and Grand Metropolitan. Both these companies saw the dollar problems coming and moved their marketing efforts away from the U.S. and particularly away from the U.S. package market and into European business. It is perhaps significant that at the world's biggest travel meeting, the ITB exhibition in Berlin last week, a hard-sell gathering at which some 12,000 trade delegates were registered, the records show 21 names from Trusthouse Forte.

Clearly one of the great problems for Forte will be the prob-lems of the association of the THF image of motorway cater-ing with the Savoy's own up-market elegance. In fact, Mr. Egen Ronay's latest hotel guide (and Mr. Ronay is not best known for his love of THF) puts Sir Charles's Grosvenor House

Hagship hotel in a somewhat higher league than Sir Hugh Wontner's own Savoy. In the Ronay tables the Grosvenor House ranks as a de luxe property with 88 points out of 100 while the Savoy heads the Class list with 84. It might be churlish to note, however, that two other Savoy properties—the Berkeley and

than Grosvenor House. Other Forte moves into the hotels include the drama-studded acquisition and running of the George V and Plaza Athense hotels in Paris and the operation of the Pierre in New York, a jewel in the THF crown which was recently lost thanks to the intricacies of the manage-

ment contract. The bid for the Savoy group financial battle fought in 1953 over the Strand's famous monument to Victorian affluence. Sir Hugh Wontner, who still heads the Savoy board, then defeated an altempted take-over by that insatiable property bidder Harold Samuel . Echoes

Shares of Bond

Street Fabrics

Bond Street is fighting an

Now a higher offer is

expected from a "white knight." An unnamed bidder has stepped in with a new bid

which is likely to be agreed

between the two parties.
At the time of Grovebell's

offer last week, Bond Street said

that "talks are at an advanced stage with another textile

group which could lead to a

recommended offer at a signifi-

MDW says

acceptable

offer unlikely

MDW Roldings, the building

suspended

turer at £920,666:

even higher of the controversy disturbed the City for a year afterwards. Rising share prices in late '53 alerted the Savoy board to a challenge to its control. But

Samuel was only revealed as the mystery buyer after a Board of Trade inquiry. By then, he had secured 20 per cent of the shares and had formed an informal alliance with Charles Clore who held just under 10 per cent. Both were still buying and by early December had acquired about a third of the shares, whose price had more than doubled to 60s.

Unable to compete at these prices in the market, the Savoy directors tried a different tactic to fend off the bidders. Samuel's to fend off the hidders Samuel's at 62s 6d a share. The board main target was the group's suddenly rejected the offer and Berkeley Hotel, then returning Samuel in a brilliant riposte

profits of less than £6,000 from a site worth nearly £500,000. Samuel intended to tear down the

The Savoy reasonded by hiving off the Berkeley into a separate company Worcester Buildings, whose control was vested in the group's staff benevolent fund. The move, taken without shareholders' approval, caused an outcry in the City. "In drawing Samuel's teeth, the Savoy board had given other equity shareholders toothache,"

reported one observer.

sions into its domain. Given the leading characte involved in the present debate seems unlikely that this live Savoy story will now peter out of

ings at that price.
The Savoy's only way out the

was to buy Samuel's shares—and that it did for £1.346m. When

the board got the loan to finan

the purchase remains a secre

Shipping magnate Sir Joh Ellerman and Barciays Bar

cribed after another BoT inqui

of management "—was liquidated

And the Savoy, instead, reorga-

"an invalid use of the porte

mentioned at the time.

Worcester Buildings

BIDS AND DEALS

AAH sells 11.57% Renwick stake

MR. GRAHAM BECK, the South African businessman behind the mystery takeover bid by Hong long-based Kangra International MR. JOHN BENTLEY, a director for motor and fuel distributor Renwick, yesterday managed to and large shareholder in Bardsey, the quoted property company, has purchased 25,000 persuade Mr. William Pybus, chairman of AAH, to sell his ordinary shares in the company at 17p each and now owns company's 11.57 per cent stake in Renwick

ordinary AAH is the fuel distribution and road haulage group which abandoned its £5.8m agreed bid The purchase was made in accordance with the terms of an option agreement dated April for Renwick in early January after receiving acceptances 10. 1980, between Mr. Rentley and Mr. C. Bray, a director of representing just 21 per cent of Renwick shares.

Simmate Properties, a Bardsey Mr. Pybus, who had earlier expressed his frustration as a subsidiary. Mr. Bray's holding row reduced to 857.353 result of Kangra's gradual share-buying tactics, yesterday said he had had " a very friendly ""-e effect of the transfer is meeting " with Mr. Beck.

As a result of assurances given to him by Mr. Beck, Mr. Pybus expressed his confidence that the British Fuel Company that Mr. Bentley now holds 12.05 rent of Bardsey ordinary res and Mr. Bray 5.1 per cent. The heard of Bardsey yester-(in which AAH has a major in "I'sory conversion period terest) and Renwick could con-

work harmoniously

CHARTERHOUSE IN CANADIAN LINK

together in promoting the jointly-owned Western Fuel

Charterhouse Development Canada, a subsidiary of the Charterhouse Group, has in-vested C\$1m (£377,358) in vested C\$1m (2377,358) in Croydon Furniture Systems Inc. of Ontario, a manufacturer of high quality wooden office furniture and integrated office systems. The company's sales in 1979 totalled CS15 2m totalled C\$15.2m

United Dominions Trust's pre-ference shares has forced the Trustee Savings Banks Group to The investment finalises a deal whereby the furniture com-pany's president and viceincrease its cash offer for these president become owners of the Charterhouse will hold group. 90 per cent of preference sharethe new management balance.

CARLTON ESTATES COMPLETES SALE Cariton Real Estates has com-

reference class.

Yesterday it announced a interest in 40 Upper Brook once and for all increase in its offer to 60p which will lapse unless the 90 per cent level has been reached by March 27.

Carllon Real Estates has completed the sale of its leasehold interest in 40 Upper Brook Street and 24 Culross Street, London, W, for \$920,000 cash.

Of the proceeds, £660,000 is being held by Coutts and Comference class,

pany trustees of the company's 10 per cent convertible deben-ture stock 1993-95, awaiting substitution of alternative property as security.

The balance of the proceeds has been utilised in reducing bank borrowings. This arises from the company's development and renovation programme, principally the first phase of the renovation of the Lune Industrial Estate. Lancaster.

CROWN HOUSE OFFER DERISORY SAYS DENBYWARE

In a letter to shareholders, Mr. George Robinson, chairman of Denbyware, says the board continues to think that the price of 80p per share offered by Crown House is "derisory." He points out that the current market price is 90p. Having read Crown House's

offer document, he says the board can still see no compelling argument why it should be of advantage to Denbyware share-holders. He asks them to take no action in connection with their holdings.

COSALT PURCHASE

IN MILFORD HAVEN Cosalt, the ships' chandler based in Grimsby, has acquired the assets and goodwill of the Milford Haven branch of International Watts Fincham, which announced its decision to cease trading on March 6.

Cosalt has had a branch in Milford Haven since 1908 and the two businesses are entirely complementary. The company intends to move its business into the Watts Fincham premises and

WALKER LUNT AND TALBEX ASSETS SOLD

Mr. Christopher Morris, of Touche Ross and Co., the receiver and manager of Walker Lunt and Company and Talbex
Exports, has sold the business
assets of the two companies to
20,000 shares.

Chilton House, which intends to

ST. PIRAN BUYS MORE S. CROFTY Saint Piran has purchased 125,000 ordinary shares in South Crofty, taking its holding up to 11.05m shares.

NO PROBE

unwelcome bid from Grovebell, the Vauxhall and Bedford motor proposed merger of dealer. When Grovebell's share and cash bid was launched last Harrisons and Crossield and London Sumatra Plantations is week it placed a value on Bond not to be referred to the Monopolies Commission. Street of £758,000.

SIZEWELL TRUST The effer by J. Rothschild In-Investments for

Sizewell European Investment Trust has been made fully unconditional. SHARE STAKES

Cadbury Schweppes — Sir Rupert Clarke's beneficial holding in Cadbury Schweppes Australia has been increased to 88,386 by a transfer from Lloyds of 21,281 shares as a release of

Comet Radiovision Services— Mr. W. J. Mason, director, sold 30,000 ordinary at 140p, reducing his holding to 292,431 shares (0.723 per cent). Scottish Heritable Trust-Mr

and civil engineering contractor, said that an approach which had Martin Green, director, sold 50,000 ordinary and now holds been made to the company, announced on March 4, which might or might not lead to an 280,000 shares (3.5 per cent). Aberdeen Trust-Globe Investment Trust has disposed of 2m offer being made for the ordinary shares leaving holding nil. share capital of the company has

Eva Industries-Anglo Indonesian Corporation holds 2.33m shares (31.38 per cent). Danks Gowerton-Mr. Roe. director, purchased 70.000 ordinary shares at 25p. Sir Joseph Causton and Sons-Prudential Corporation Group

has acquired a further 100,000 ordinary shares and now hold a total of 748,333 (7.1 per cent). Brickhouse Dudley—Mr. P. E.

But after consideration the directors have concluded that the approach "is unlikely to lead to an offer being made for MDW on terms acceptable to the share

heen considered by the directors.

TAYLOR WOODROW Taylor Woodrow has sold its Brickhouse Dudley—Mr. P. E. South African subsidiary Green-budley, director, sold 26.634 ham Group (Pty.), to R. H. John-son Crane Hire (Pty.). Taylor Woodrow is retaining the rest 50,000 shares and F. Nevzat of the Greenham business within the group.

TR Energy opens at discount

By Alan Friedman

Shares of Bond Street Fabrics were suspended yesterday at the company's request pending an announcement. The suspension price of 34p valued the Leicesterbased knitted fabric manufactures. THE DEBUT of London Stock Exchange trading in TR Energy yesterday earned the company the distinction of being the first round of offers to fail to open at a premium.

Shares in the newly-formed

oil and gas investment group opened at 97p. a 3p discount on the £1 subscription price. Backed by merchant bank Kleinwort Benson and the Touche Remnant stable of investment trusts, the company raised £10m last week in addition to an initial capital of £10m from Touche Remnant clients. issue attracted applications for £22m of stock.

Mr. Tim Holland-Bosworth of Kleinwort Benson attributed the 97p morning price to "a few small sellers." He said this was "bound to happen" because of the group's policy of allotting shares to all applicants.

"I had expected that it would open at a premium. But I am not concerned," he said. Re added: "When the small sellers are out of the way, I think the shares will stand at a premium. Mr. Holland-Bosworth said Kleinwort Beuson "did some buying" yesterday on its own behalf and for various clients. He also cited the effect of the Budget in explaining vesterday's market for TR shares.

At James Capel, brokers to the issue, Mr. Christopher de Roer said he had never expected the shares to approach the same premium as other recent new sues in oil. "There was a lot of stagging," he added. The shares recovered to

J. Jarvis ahead at halfway

value last night.

PRE-TAX PROFITS of J. Jarvis and Sons, building and civil engineering contractor, rose by £100,000 to £245,000 in the six months to September 30, 1980. Turnover rose from £11.71m to £14.95m. The interim dividend is raised

from 5.5p to 6p—last year's total was 12p from pre-tax profits of £701.000 (£574.000 loss). There was a tax charge of £78,650 (£7,300), and minorities took £2,215 (£3,200)

ised its voting equity as a defer against further attempted intr Samuel threatened to fight the move in the courts but then offered his holding to the board

Britannic Ass. improves

all round-dividend up 2p 20 per cent rise in profit last stantial improvements to bonne year from long ter mbusiness, rates on Ordinary branch, con-from £2.31m to £2.73m, and tracts and has also lifted bonuses doubled profits from general in the Industrial branch. Fo business at £472,000, against shareholders, a final dividend The carry forward to profit and loss, however, is only marginally.

£383,000 to £374,000.

Britannic Assurance reports a The company has made subsnaremuters, a mas dividend as open sectioned making a total far the year of 13:9p, equivalent to 19.857p grossed-up, against 1 in the previous year.

Hunt & Moscrop rises

Industrial machinery group Hunt and Moscrop (Middleton) £104,000, and retained profit w reported a modest improvement £39,638, compared with £20,32 in pre-tax profits for the half previously. year to December 31, 1980. Taxable surplus increased by
fi7,000 to £225,000 after interest
charges of £191,000 against
£158,000 last time.

Sales for the half year were
higher at £10.75m (£10.13m).

The directors say the group
is maintaining its efforts to hold
and, if possible, improve as

The interim dividend is 0.36p (0.3575p), and stated earnings 5p share increased from 0.44p to 0.74p.

is maintaining its efforts to hold and, if possible, improve is market share, especially for exports. They are continuing the reorganisation of some a the group's activities.

BASE LENDING RATES

	THE BUILD
ABN Bank 12 % Allied Irish Bank 12 % American Express Bk 14 % Henry Ansbacher 12 % Henry Ansbacher 12 % Bank Itd 12 % Bank of Latham 12 % Banco de Bijbao 12 % Banco de Bijbao 12 % Bank of Cyprus 12 % Bank of N.S.W 12 % Bank of N.S.W 12 % Banque Belge Ltd 12 % Banque du Rhone et de la Tamise S.A 121% Banque du Rhone et de la Tamise S.A 121% Beneficial Trust Ltd 13 % Bremar Holdings Ltd 13 % Brit. Bank of Mid. East 12 % Brown Shipley 13 % Canada Perm't Trust 13 % Cayzer Ltd 14 % Cedar Holdings 14 % Choulartons 14 % Choulartons 14 % Cooperative Bank 12 % Consolidated Credits 14 % Cooperative Bank 12 % Corinthian Secs 14 % Duncan Lawrie 12 % Eagil Trust 14 %	Hongkong & Shanghai 12 (Reyser Ullmann 14 (Rnowsley & Co. Ltd. 14 (Langris Trust Ltd. 12 (Lloyds Bank 12 (Malkinhall Limited 12 (Malkinhall Westminster 12 (Malkinhall Westminster 12 (Malkinhall Westminster 12 (Malkinhall Kestminster 12 (M
Charterhouse Japhet 14 % Choulartons 14 % C. E. Coates 12 % Consolidated Credits 14 % Co-operative Bank 12 % Corinthian Sees 14 % The Cyprus Popular Bk 14 % Duncan Lawrie 12 % Eagil Trust 14 % E. T. Trust Limited 14 % First Nat. Fir. Corp. 164 % Robert Fraser 12 % Antony Gibbs 12 % Greyhound Guaranty 12 % Greyhound Guaranty 12 %	Twentieth Century Bk. 12 a United Bank of Kuwait 12 a Whiteaway Laidlaw 12 a Whiteaway Laidlaw 12 a Williams & Glyn's 12 a Wintrust Secs. Lid. 12 a Yorkshire Bank 12 a Wambers of the Accepting Houses Committee. 7-day deposit 9%, 1-month 94%, Short term £4,000/12 months 13.55% (no change). 7-day deposits on sums of £10,000 and under 9%, up to £50,000 94%, and over £50,000 10%, Call deposits £1,000 and over 9%. 7-day deposits £1,000 and over 9%.

Extracts from the Chairman's Statement

Group Results
I am glad to be able to report that pre-tax profits in the second half showed an increase of 15% over the corresponding period in 1979, resulting in an increation the july year of 10%.

We continue to give prominence to our current cost figures in the belief that these show a more realistic representation of our group's performance. On this basis our return on capital is 12% which reflects our policy wherever possible of mainteining profit margins. This policy has been assisted by tight cost control and by our high fevel of capital investment in modern and efficient plant and equipment over many years. United Kingdom

Despite the recession, our two major companies with leading positions in their markets - U.B. Biscuits and U.B. Foods - satisfactorily increased their trading

U.B. Frozen Foods, carrying the burden of heavy investment entailed in all new developments, incurred a significant loss. This company's results were also affected by the high operating costs of the Osterley factory. To my very great regret, we had to decide to close this factory, with a run-down period extending into 1080 United States of America

Both Keebler, including a five-month contribution from Johnston's Pie Crust, and Specialty Brands signifi-cantly increased their trading profits in dollar terms.

Thanks to employees

That we in United Esculis find ourselves in as sound a position as we do in today's difficult conditions is due both to the strength of individual contributed like to thank our combined strength as a group. I would like to thank all our employees for the part each one of them has played over the past year.

The relatively strong performance in the second half of 1980 strengthens our confidence in our budget forecast for 1981 which shows a significant increase in both trading and pre-tax profit

Sir Hector Laing, Chairman

The directors recommend the payment of a final dividend of 2.5p per ordinary share of 2.5p, making a total distribution for 1980 of 4.37p per share (1979 3.7p per share). Subject to approved by the company at the annual general meeting the proposed final dividend will be payable on 1st July 1981, to holders of ordinary shares registered at the close of business on 2nd June. **Preliminary results for 1980** (Unaudited)

	CURRENT COST		HISTORICALCOST	
and the second second	1980	1979	1980	1979
Turnover.	£m 880.3	£m 791.0	£m 880.3	£m 791.0
Trading Profit	41.5	36.9	55.4	50.0
Interest	7.6	6.3	7.6	6.3
Gearing Adjustment .	(3.3)	(3.3)	~	
	4.3	3.0		
Profit before Taxation	37,2	33.9	47.8	43.7
Taxation	11.9	7.8	11.9	7.8
Profit after Taxation	25.3	26.1	35.9	35.9
Minority Interests	0.1 -	0.1	0.1	. 0.1
Profit attributable to shareholders	25,2	26.0	35.8	35.8
Extraordinary items (Note 1)	13.4	(0.8)	20.3	1.0
	11.8	26.8	15.5	34.8
Dividends	13.5	9.5	13.5	9.5
Balance transferred to revenue reserves	(1.7)	17.3	2.0	25.3
Earnings per share (Note 2)	- 8.6p	10.1p	12.1p	· 13.9p
Notes			1980	1979
Extraordinary items (net of tax where a Reorganisation costs	piplicable)		£m	£m.
Redundancy costs on closure of op-	erations		3.7	(0.7)
Pension funding for redundant emp	loyees		23	· · · · · ·
Fixed assets surplus to requirement Other	ts .		5.7	(0.6)
Other			·_ <u>5.8</u>	
Cooks of England Laws	•		17.5	(1.3)
Costs of Eurobond issue Exchange differences	٠.		0.6	_
Other items	-		21	20.
and ideline.	•	•	<u>01</u>	<u>03</u>
2 Economic para transfer (270 hours become			20.3	_1.0

2. Earnings per share for 1979 have been adjusted for the bonus element in the rights issue in

3. The group's properties are being revalued over a three year period. Those properties revalued in 1980 gave rise to a surplus on book value of £23.8m which will be incorporated in the 1980 accounts



Results of Corah Limited for the year ended 26th December, 1980, subject to final audit

	1980	1979
0.1	£'000	£,000
Sales	43,226	39,685
Profit before Tax	1,760	3,174
Taxation	424	397
	1,336	2,777
Preference Dividend	14	14
Available for Ordinary		
Shareholders	1,322	2,763
Earnings per share (net)	4.5p	9.4p

- * Sales increased by 9% to £43,226,000 mainly through increased volume.
- Profits of £1,760,000 achieved.
- Direct exports increased by 60%.
- Capital investment totalled £1,920,000.
 - Final dividend maintained at 1.65p per share,

Corah Limited, Burleys Way, Leicester

Overseas advances push BTR ahead to £70m

SUSTAINED and substantial increases in profits from the eastern and western regions of operations pushed pre-tax profit for BTR, the general rubber manufacturer with interests in

total of 10.75p net against an adjusted 8.63p. A one-for-two scrip issue is also proposed.

The Board reports that the current year has opened with further encouraging levels of husiness in the business in the east and west regions and there has been some improvement in orders in the UK compared with the second

Sales totalied £509.8m against £432.6m for 1979. Tax charges increased to £23.1m (£22.2m) and minorities were also up to 14m compared with £2.9m last time. There was an extraordinary debit of £3.1m (£1.1m) covering the net costs of curtailment and closure of manufacturing activities, but repaid foreign currency loans credited £4.3m (£0.9m), significant improvements in the

BOARD MEETINGS

		~~~	•
dates of be Exchange, held for the dividends:	nng.compania: Bird meetings Such meeting Be purpose o Official indica I to whather	to the S s are use di conside ations are	toc leu niti
interims or	finala	Gialddidg	
		:	
	TOBAY		

ridgewater Estates, Conder

Earnings per 25p share amounted to 29.5p (adjusted 22.6p). On a current cost basis, pre-Profits were £61.8m. advanced by 72 per cent, while improved by 74 per cent to £20.3m (£11.7m) benefiting not conly from the acquisition of the sequence of £18.9m against £11.2m last

ed Ransome Hoffmann Pollard ..... May 20

Controls. In Australia operating profits in local currency terms

# HTV warns of additional costs

PRE-TAX profits of HTV Group, the diversified television group, increased from £1.21m to £1.5m ... for the half-year to January 31. 1981. Turnover was up from £17.27 to £23.63m, however, the results for the corresponding period were hit by an industrial

The interim dividend remains the same at 3.5p after last year's Despite the advance, HTV

to £0.5m at

dancies during the year. Turn-

The final dividend is trimmed

3p (3.5p). The directors say the reduced final reflects the

**year-end** 

in the previous year.

from 14.85p to 7.87p.

ided udit

2000

00.

Broadcasting Authority, con-siderable additional costs will be rose from £900,000 to £1.44m. Tax incurred from January 1982, in took £780,000 agains: £530,000 order to establish new production facilities. The level of capital expenditure involved T. J. and J. Smith, a publishgrammes on commercial terms year to July 31, 1981 due to as provided under the Broad-reorganisation.

warns that, as a consequence of casting Act 1980.

the new television programme Interest charges increased to contract with the Independent £111,596 (£34,813) over the halftook £780,000 again £530,000 last time. Earnings per 25p share

will depend on adequate con- ing and stationery subsidiary, tractual arrangements for the will incur substantial and extra-sale of Welsh language pro-ordinary costs during the half-

#### R. Clay falls Strong and Fisher makes £128,000 loss at interim

(Holdings) dropped to a pre-tax loss of £128,600 compared with A SHARP fall from £2.01m to a profit of £669,000 for the same 2581,000 in pre-tax profits is reported by Richard Clay and Co.
book printer and binder, for the year to January 2, 1981. The period in 1979, on turnover down from £22.37m to £13.38m. For the year to June 27, 1980, this clothing and fashion leather figure is after deducting manufacturer made a pre-tax loss £271,000, the net cost of redun-

over rose from £17.91m to the directors have decided to. maintain the interim dividend There was a loss of £143,000 after tax on a CCA basis, compared with a profit of £479,000 at 2.8p net per 25p share. The stated loss per share for the half-year emerged at 3.4p (6.1p earnings).

long-term prospects for the tax took only £60,000 compared this financial year, group, it is unlikely that there with £339,000.

He says prospect

to £869,700 (£339,400). Minority losses totalled £3,500 (£4,800). Retained profit transferred to reserves emerged at £869,700 (£335,400), after preference dividends of £1,400 (same), and

ordinary dividends which absorbed £153.600 (same).

Mr. Edward D. G. Davies, chairman, says the period under However, in anticipation of review was one of the worst in more successful trading in the the company's history—in spite final quarter of the current year, of having written down stocks in the accounts for the year to June 27, 1980, and further weakness in raw materials pricesbecause of a lack of consumer

All the group tanneries are The final dividence is trimmed earnings).

All the group tanneries are interest charges came out at now busy, and with the prospect (35p). The directors say fin (2936,800) and depreciation of lower interest rates and more than reduced final reflects the was £178,200 (£151,600). Income favourable exchange rates, he difficult trading conditions from associated companies was anticipates the group will trade lower at £61,400 (£144,400), but profitably in the final quarter of the formula of the formul

He says prospects for the rest will be a significant improve. An extraordinary item of the group are improving tooment in the current year.

Tax recoverable was £128,000 of a capital gain on the sale of stores are extremely low on (£675,000 charge) and stated shares in Wearwell, on which stocks and the new buying earnings per 25p share are down the directors anticipate there season is bringing with it large

Following the Chancellor's reduction of Minimum Lending Rate in the Budget, typical rates charged for NatWest personal lending services are now as shown below.

Mortgages for Home Buyers

NatWest offer mortgages of between £10,000 and £100,000. Right across this range, the same interest rate—varying directly with Base Rate—is charged. A typical annual percentage rate is 15.2%.

Home Improvement Loans

Whether you want to install central heating, build an extra room in the loft, add an extension or rewire the house, a Nat West Home Improvement Loan. with monthly repayments for the agreed term of the loan could get things moving now. A typical annual percentage rate is 18.3%. Loans for purchase or improvement of property may be eligible for income tax relief on the interest.

Buying a new car

A NatWest Personal Loan with monthly repayments is a good way of buying that new car you've promised yourself. A typical annual percentage rate is 18.9%.

Other major purchases

NatWest Personal Loans can be used to purchase a wide variety of items. You know right at the outset how much you'll have to repay each month.

For full details of these and other services, including Budget Accounts and Access, talk to your local NatWest Branch Manager or write to Bryan Connon at National Westminster Bank Limited, 200 Pentonville Road, London, N19HL. Lending services are only available to persons aged 18 and over.

A National Westminster Bank Limited

# Gold price boosts Amgold to record full-year profit

BY GEORGE MILLING-STANLEY

THE MUCH higher average gold 525 cents. This was at the lower \$614.63 per troy ounce, up from price prevailing over the year to February 28 had the expected effect on the results of Anglo American Gold investment (Amgold), South Africa's leading gold investment company.

Amgold's investment income rose by 140 per cent to R321.38m, and net attributable profits emerged 146 per cent higher than in the previous year at a record R314.95m (£181m). Earnings per share came out

at 1,434.7 cents, against 582.8 cents last time; and the final dividend of 600 cents, compared with 350 cents, lifts the total for the year to 1,150 cents from

end of the market's expectations. \$307.14 the year before.

Amgold explained yesterday Vaal Reefs, South that, in the light in the high gold biggest gold producer, price for the year, it had decided to retain a larger proportion of earnings than in recent years, in Significant contributions were also made by President Steyn, Western Deep Levels and ERGO, the gold and uranium dump order to be in a position to take advantage of investment opportunities.

principal contributor to invest ment income, accounting for

re-treatment operation.
Amgold's stated net asset value

(£62.11) a share, up from 10,182 cents on February 29, 1980. The

shares gained I to £391 in after-nours trading in London follow-ing the results.

**Profits fall** 

AUSTRALIA'S Umal Consolidated turned in net profits for 1980 of A\$13.88m £7.2m, com-

pared with A\$17.54m the year before. The company, which derives more than half of its

income from coal operations,

said that the 21 per cent fall was

mainly attributable to the 10-

week strike by coal workers over

taxation of low-rental

The aluminium die-casting

Umal changed its name from

Utah Mining Australia late last

year in a move designed to

demonstrate its independence

from the U.S.-controlled Utah

Development, the biggest coal

The company retained its 10.

per cent interest in Utah Development, and dividend

income from the stake provided

17 per cent of revenue last year.

Associates (COCA) joint venture

which operates five mines in the

Bower Basin. Umal also has a

direct stake of 4 per cent in CQCA, and this accounted for

A further 19 per cent of

revenue came from the rutile

and zircon interests, with the

remaining 25 per cent contri-buted by the manufacturing and

engineering operations, princip

Umal is still attempting to

diversify its interests in order to reduce its dependence on the

holding in Utah Development, but the directors said that suitable opportunities were limited.

39 per cent of revenue. .

ally Doehler.

Utah Development is involved

producer in Australia.

subsidiary Doehler Australia also had a poor year, owing to technical difficulties and a

at Umal

Cons.

technical

reduction in sales.

the year-end was 10,829 cents

12 per cent of the total.

In addition, the company hopes to be able to minimise fluctuations in dividend payments in the event of last year's high average gold price not being matched during 1981.

Amgold said that the gold price in the 12 months averaged

Skate B-80 is being drilled in 348 metres of water to a planned

The Arctic Islands Explora-

tion Group consists of Esso Re-sources Canada, Gulf Canada,

Panarctic Oil and Petro-Canada. Other participants in the well include Suncor. Phillips Petroleum Canada, Dome Petroleum.

Phoenix Resources and Global

As well as the 17.2 per cent interest in the Skate B-80 drill

has holdings ranging from 8.6 per cent to 17.2 per cent in

adjoining exploration permits on which the Skate feature is

site exploration permit Global

Arctic Islands.

tentatively plotted.

#### Arctic well flows oil

THE ARCTIC Islands Explora- recovered during the test. tion Group has revealed more details of the Skate B-60 exploration well being drilled from an depth of 2,000 metres. ice platform on King Christian Island in the Canadian Arctic

The well, in which Global Arctic Islands, a wholly-owned subsidiary of the UK-registered Giobal Natural Resources—has a 17.2 per cent interest, flowed 33 degree API oil at the rate of 775 barrels a day following a drill stem test of the interval 898 to 903 metres. The well also tested gas at

the rate of 5.7m cubic feet a day following testing of the interval 876 to 909 metres. A small amount of oil was

with the news that a feasibility

study is to be carried out on the basis of an ore resource down

to a vertical depth of 700 metres.

Minerals, which has a 50 per cent

interest in the joint venture to reopen the former Big Bell mine.

said that drilling indicates the presence of 10m tonnes of ore

grading 4.3 grammes of gold per tonne, 8.3m tonnes grading 4.7

grammes and a further 6.6m tonnes grading 5.2 grammes.

**ROUND-UP** 

Australian

The Libanon gold mine in the Gold Fields of South Africa First indications of the possible extent of gold reserves at the Big Bell project on the Murchison gold field in Western Australia have been announced. group has been granted precious metals rights over areas totalling 653 hectares on farms adjoining

The new ground is on the farms Libanon 283, Elandsfontein 346 and Doornkloof 350, east of the existing mine and to the north of the adjacent Kloof property.

The U.S. oil major Mobil has begun stripping operations at an open-pit coal mine in the Power River Basin near Gillette.
Wyoming. The new mine is expected to produce about 6m tons of coal a year when it comes into production in 1983. Output could be lifted to about 15m

Olosing Vol. Closing Vol. Equity

the existing lease area.

ins, the company said.
Including the Wyoming holdings, Mobil has a total of 4.1bn tons of coal reserves in the U.S.

# The other participants are Nickelore, 30 per cent, and Metals Exploration with 20 per

LONDON TRADED OPTIONS

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TOTAL VOLUME IN CONTRACTS

Mar. June Sept.

#### **Transport** Development Group in 1980 Vaal Reels, South Africa's biggest gold producer, was the

•	, H	listoric	Current Cost			
·	1980	`., 1979	1980	1979		
		£'000	£′000			
Turnover	263,682	248,246	263,682	248,246		
Profit before tax	21,373	22,256	13,996	14,160		
Ordinary shareholder's		. •				
funds	117,571	110,824	176,280	161,844		
Earnings per share Net assets	7.99p	8.71p	5.21p	4.92p		
pershare	88.5p	83.4p	132.6p	. <b>121.</b> 8p		

- * In a bleak trading year profits before tax down by
- * Dividend maintained at 4.25p per share. Cover on a current cost basis 1.23 times (1979 1.16
- * Balance sheet one of great strength. Cash flow £32.5 million. Net borrowings reduced. Cash resources increased by £4.5 million.
- Warehousing and cold storage undertakings performed well; road haulage affected by recession.
- * Plant hire and reinforcement groups made profits in intensely competitive conditions.
- * Excellent year for exhibition companies.
- Contributions of overseas companies increased in terms of local currency by 24%.
- * Current year had a hard start. Profits to date below those of a year ago.
- * Fortunate that most companies engaged in industries which will respond with great rapidity to any upturn in economy.

Full report and accounts available after 2 April 1981 from the Secretary, Transport Development Group Limited, Kingsgate House, 66-74-Victoria Street, London SW1E 6SR.

HAULAGE · STORAGE · REINFORCEMENT · EXHIBITIONS

Following the Chancellor's reduction of Minimum Lending Rate in the Budget, NatWest has reduced its base rate by 2%. This has made the wide range of NatWest's lending services to business, industry and the farming community even more attractive.

#### **Business Development Loans**

NatWest has a special scheme to provide extended credit for growing and successful businesses, with repayments which stay the same for the agreed term of the loan. This helps considerably with forward planning for cash flow and pricing. Loans are available from £2,000 to £100,000 for up to 10 years at 7½%-9% p.a. flat. These loans may be used for specific purchases or to increase working capital.

#### Farm Development Loans

NatWest also has a similar special scheme to provide extended credit to farmers. These loans may be used for livestock and machinery purchases, new buildings or modernisation of existing buildings and other projects such as drainage or fertilisation.

#### Small Businesses

NatWest is pleased to discuss how it can help businesses to groweven one person starting up on his/her own. NatWest will be participating in the Small Firms Loan Guarantee Scheme announced by the Chancellor.

For full details of any of NatWest's services talk to your local NatWest Branch Manager.

**& National Westminster Bank Limited** 

St. Joe

rebuffs

Minerals

Seagram

ST. JOE Minerals Company

yesterday formally rejected a \$2bn takeover bid from Seagram of Canada as grossly

Mr. John Duncan, St. Joe's

chairman, who learned about

the bid on Wednesday while

on holiday in the Bahamas, returned to New York for the

board meeting. Afterwards, he said that St. Joe wanted to remain independent. "This is not the right time to con-

sider the sale of St. Joe."

He added that if Seagram, the world's largest distiller,

was willing to pay more than

\$2bn for the company without

any investigation of its

property and without discus-

sions with St. Joe manage-

ment, Seagram must believe

that St. Joe is worth far more

that St. Joe is worth more

than the \$45 a share Seagram

has offered and the shares continned to trade briskly over the \$46 mark yesterday, having been at just over \$30

before the bid on Tuesday

night.
Wall Street is also betting

that if Seagram is discour-

Wall Street also believes

RASH OF BIDS EXCITES WALL STREET

# Insider trading claim on mine bids

takeover bids for leading U.S. U.S. lead and zinc producer.
minerals and mining companies In the case of the Socal bid. minerals and mining companies continued to cause growing ex- the investigation centres on suscitement on the New York and picious trading in AMAX call Exchange, include the New York American Stock Exchanges yes options on the American Stock firm's San Rafael, California, terday as well as provoking a Exchange. These options give series of suggestions and accusathe right to holders to buy tions of foul play by some marshares in AMAX at a certain ket players with alleged inside price. A number of investors

The U.S. Securities and Exchange Commission, the two before the Socal bid was are now investigating allega- privilege of buying AMAX tions that some investors had shares at \$50 each until the confidential inside knowledge options expire at the confidence of Standard Oil of California. record bid, valued at current nouncement of the bid, the market prices at \$3.89bn, to market had taken little notice cent of the stock it does not shares were trading at \$38 each, already hold in AMAX, the leading U.S. mining concern with major interests in other natural resources.

While a Chicago options trading firm, O'Connor and Associates, filed a suit earlier this week charging that clients had risen to almost \$9 as of Dean Witter Reynolds and the actual share price of AMAX A. G. Becker, two New York brokerage houses, had profited from inside information on the Socal bid, both the New York and Philadelphia Stock Exchanges are investigating postion with Seagram's \$2bn bid for

Half-year gain

and Western

HIGHER first-half results are

merate whose activities range from the manufacture of various

ducts to leisure time, natural

resources and financial services.

quarter were almost 11 per cent

total 11.7 per cent to \$147.1m

or \$1.91 a share. In 1980,

second quarter per share earnings equalled 87 cents and half-year earnings \$1.78 after allow-

ing for conversion of convertible

quarterly figure by 23 cents a

Second quarter sales were

\$2.69bn. The revenue figures outlook.

from \$1.32bn to \$1.37bn while

have been restated to reflect the

disposal of the group's equity

Pecember.

49 cents.

Net earnings for the second

By Our Financial Staff

for Gulf

information of the latest deals. are understood to have bought The U.S. Securities and March call options in AMAX

the remaining 80 per of these options as AMAX well below the \$50 option price.

But some investors bought large blocks of AMAX options the day before the announcement at a price of 12.5 cents each. By Friday, when Socal announced its bid, these options rose from \$38 to \$58f.

Dean Witter, A. G. Becker, Socal and AMAX have all denied knowledge of the leaks which are reported to have promoted the heavy trading in Moreover, the market had resource AMAX shares ahead of the been increasingly intrigued by fuelled announcement last Friday. But reports that the South African Street.

BY OUR NEW YORK STAFF

the kitchen has been at least

temporarily resolved in a New

told by a district judge that it

must abandon an advertising

campaign which is based upon Robot-Coupe's desire to recover

debentures which reduced the SEARS, ROEBUCK, the largest ment in the last quarter. Sears

share and the six months by completed a major company in earnings for the year, to

restructuring programme, is back on a growth tack. It

in fourth quarter earnings,

sposal of the group's equity January, earnings totalled reversed five quarters of earnings paper products operations \$278.6m compared with \$254.4m ings declines with a 23.9 per in the same period the same p

year. But despite the improve- income

revenues for the half-year reflecting the recent improve 2.6 per cent to \$25.19bn. edged ahead from \$2.66bn to ment in the U.S. retail sales Mr. Edward Telling,

reported by Gulf and Western York court, with French culin-

Industries, the U.S. conglo- ary pride on the losing side.

consumer and industrial pro- electric food processor, has been

3.8 per cent highter, advancing reported a 9.5 per cent increase

higher at \$70.5m or 91 cents a lits lost U.S. identity. share, raising the six-month

TRANSATLANTIC row in

THE CURRENT rash of major St. Joe Minerals, the leading Dean Witter said it was conducting an internal investigation, which according to sources

> In the case of the Seagram bid for St. Joe, the investigausually heavy volume of trading in the St. Joe stock on Tuesday, the day before the bid announcement. St. Joe traded Joe on Monday totalled 119,800 shares but rose to 603,900 shares on Tuesday.

At the same time, these unusual movements prior to the announcement have been justified by some dealers on the basis that U.S. minerals concerns have apparently become prime takeover targets for large corporations, especially oil com-

In this sense, the Socal bid steel for \$750m. could have prompted specula-tion that St. Joe could be a possible takeover candidate. As are now speeding up their AMAX rejected Socal's bid, it diversification plans and appear was suggested that the Calito be looking in particular at fornian oil group might seek the minerals and mining sector another mining group.

Moreover, the market had been increasingly intrigued by

Coupe and its U.S. distributor, ciations.

erupted into a full-scale divorce.

Robot-Coupe, the French For several years, Cuisinarts Robo-Coop. It used to be pro-company which invented the had been selling Robot-Coupe nounced Cuisinart."

Hoping to win the next round, Robot-Coupe promptly

launched an advertising cam-

paign which played humorously

upon the tendency of most

Revenues in the final quarter rose to \$7.26bn from \$6.94bn.

For the full year, revenues rose

Mr. Edward Telling, the

\$606m from \$810m

blenders under its own name.

Connecticut,

Cuisinarts

Sears, Roebuck growth

In its fourth quarter ended key merchandising

Brown Company, effective in the same period the previous cent increase in fourth quarter market for top of the line pro-

All these Bonds have been sold. This connouncement appears as a matter of record only.

U.S. retailer which recently report a 25 per cent decline

The problem began when a Americans to Americanise even series of tiffs between Robot- the most exotic foreign pronun-

whom?'

chairman, said the company's 290,000 of the machines last

for Gallic pride.

glomerate was looking at the North American market for a possible acquisition.

The recent decline in U.S. interest rates has also prompted Wall Street analysis to speculate that more and more com-panies will become acquisition minded.

Apart from the Seagram and Socal bids, Wall Street has been excited by speculation that Elf Aquitaine of France was looking for a major U.S. investment, speculation which has been further fuelled by hints dropped by leading New York investment banks.

The market was also waiting for an announcement by Standard Oil of Ohio (Sobio), British Petroleum's U.S. sub-sidiary. Sobio's board was meeting and was expected to unveil a major diversification. The oil group, with large interests. in Alaska, recently announced it was planning to buy coal properties from U.S.

The growing indications that the major U.S. oil companies to expand their natural resources base have further fuelled the excitement on Wall

The ads were headlined:

Robot-Coupe. It's pronounced

That was too much for Cuisin-

arts, which promptly took a full

page of the New York Times to

ask: "Are you as easily fooled as they hope you are?" A few

days later Robot-Coupe riposted with an ad: "Who's fooling

Apart from making the New

York Times richer, the matter

also seems likely to make the

lawyers richer, as neither side

seems willing to leave the

matter at a mere, solitary court

ruling. Cuisinarts is suing for

damages, Robot Coupe is going

There is also, of course, an important market at stake since

the high quality type processors

each company offers retail at up

to \$200 each. Cuisinarts sold

year and before the rift with

Robot-Coupe was reckoned to

per cent of th

#### aged by the St. Joe hostility, it will not be long before the company finds itself the subject of attention from another Kitchen groups in court row larger company. U.S. Pru

move on oil

plans \$400m

PRUDENTIAL INSURANCE Company of America, the largest U.S. insurance group with assets of \$59.8bn at the end of last year, is planning to invest \$400m in U.S. oil exploration.

Prudential also said yesterday it was interested in buying New York's World Trade Centre, indicating it would consider paying about \$1.5bn for the twin tower complex. On its oil proposals, Mr. Robert Beck, the Prudential chairman, said the company was entering into limited partnerships with established oil and gas groups for exploration drilling and develop-ment in the continental U.S. Prudential also reported revenues of \$57.1bn for 1980.

a 17.5 per cent increase • American International Group, the internationally active U.S. insurance group, has reported record earnings, assets for 1980. Earnings from operations rose nearly 22 per cent in 1980 to \$283m, while in the final quarter net earnings rose 21.6 per cent

#### **AMIC** lifts profit by 51%

By Quentin Peel in Johannesburg ANGLO AMERICAN Industrial Corporation (AMIC), the diversified industrial arm of the Anglo American Mining group, raised attributable profits by 51 per cent in 1980, from R100.1m to R151.5m The results, calculated for

the first time on the equity amounting method, represent a 36 per cent increase in earnings per share, excluding retained profits of associates, at 431.1 cents. A final dividend of 97.5

cents a share bas been declared, against 72.5 cents in the same period of 1979. lifting the total distribution for the year from 105 cents to 140 cents a share. AMIC's results are a bare-

meter of the state of South African manufacturing industry, because its interests range from engineering and iron and steel to mining equip-ment, motor cars, building materials, timber products and

All the major subsidiaries the directors said, increased their profits, especially Sigma, which assembles Mazda, Peugeot and Citroen cars, and De Beers Industrial Corporation. An important contribution came from Seaw Metals' 36.2 per cent interest in the wire rope manufacturer, Raggie, bought from Bridon of the UK early last year. AMIC's other major acquisition during the year—that of an 18.8 per cent interest in ASE, the South frican arm of the Swedish electrical equipment manufacturer, is unlikely to have made a significant contribution to

The group's capital comitments increased to R111.6m from R107.4m, reflecting the major expansion programmes being undertaken.

Amdahl Corporation IN A survey of computers, published on March 2, it was wrongly stated that Amdahl started to trade at a loss in 1979. Amdahi has never produced a loss in any quarter. It was also stated that Amdahl sells Fujitsu's bigger machines in North Aemerica. Amdalh designs and builds its own machines. Fulitsu provides a portion of the com-

# Terms set for rescheduling me of \$445m Bolivian debt

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

agreed between Bolivia and a steering committee of international banks under which \$445m in debt maturing between August last year and April 1983 s to be rescheduled.

Under the proposals, debt maturing last year whose repay-ment was deferred initially. until January 5, 1981 and sub-sequently again until this month, is divided into two The first covers short term

debt amounting to \$125m of which 20 per cent is to be repaid by October this year. The re-mainder will be converted into grace period of two years.

The second tranche covers instalments due on medium and

long term debt last year amount—the IMI ing to some \$69m. Of this, 10 facility. per cent will be repaid in The II

years, grace.

Medium and long term debt maturing between April 1981 and April 1983 will be consolidated into the credit in the

in April 1983.

The whole amount will be finally repayable by April 1988. To back up the operation Bolivia has agreed with the staff a 31-year credit starting on Bolivia has agreed with the staff April 6 with a margin of two per cent over Libor. There is a one per cent front-end fee and a special drawing rights (\$206m) two-year standby credit which would be converted on maturity into a three-year drawing under

The IMF board has yet to October and the remaining \$62m ratify the agreement but it is credits.

TERMS HAVE finally been will be converted into a seven-hoped that this can be done to year credit maturing in April time for commercial banks to 1988 with a margin of 21 per sign the rescheduling package on March 31 in New York.

This credit will carry a front Separately Bolivia is also end fee of 11 per cent and repayments will begin after three from the World Bank in the form of a structural adjustment loan.

The steering committee of international banks which drew up the rescheduling proposals with Bolivian officials includes April after it has fallen due, with Bolivian officials includes This will add \$123m to the Bank of America, Bank of amount in April 1982 and \$127m Nova Scotia, Citibank Deutsche-Suedamer-Crocker, Deutsche-Suedamer-klanishe Bank, Libra and Mann-

> They have now circulated the rescheduling proposals to all other banks with debt maturing between the dates involved. The banks have been asked to indicate their approval by next Tuesday.

facturers Hanover.

Initial reactions were that the IMF's extended finance few would object to the proposals because of the high margins agreed on the consolidation

#### Australian bank bond increased

BY FRANCIS GHILES

the \$60m "tap" issue for movement in prices according Australian Resources Developto many dealers. ment Bank launched through Swiss Bank Corporation on can only be the result of a lead Monday has been increased to \$30m while the indicated yield of 14.32 per cent on which the paper was initially offered has been trimmed to 14.25 per cent.

The issue, which was heavily oversubscribed, still carries a coupon of 13 per cent but the original price of 954 was increased last night to 95% per

Elsewhere in the fixed interest dollar Eurobond market, unchanged. were although Eurodollar interest rates fell for the fifth consecutive trading day. The firm a Fl 100m 15-year issue for the underlying trend in the market French Caisse Centrale de

SWISS FRANC
STRAIGHTS
Austria, Rep. of 5½ 90
BFCE 6½ 91
Bayer Int. Fin. 5½ 92
Bayer Int. Fin. 5½ 92
Bayer Int. Fin. 5½ 92
Bayer On City of 6 90
Buhrm'n-Tetterode 7 80
Copenhagen Tale 5½ 90
Dome Petrolsum 5½ 91
Elet. de France 5½ 90
Eurofima 5½ 90
Eurofima 5½ 90
Fintand, Rep. of 5½ 90
Int.-Amer. Dev. 7 90
Jupan Dev. Bank 5½ 90
Jutiand Tele 5½ 90
Mc. Blanc Tunnel 5½ 90
Mc. Blanc Tunnel 5½ 90
Norges Komm. 4½ 91
OKB 6 90
Oslo, City of 5½ 91
Philips Lampa 5½ 92
Philips Lampa 5½ 92
Trade Dev. Fin. 6½ 90
Voast-Alpine 5½ 90
World Bank 6 91
Average grice changes

OTHER STRAIGHTS Issued Beli Cenade 107, 86 C\$ 60 CIBC 137, 85 C\$ ...... 50 CIBC 117, 85 C\$ ..... 50 Federal Dev. 117, 90 C\$ 60 Federal Dev. 117, 90 C\$ 60 Federal Dev. 117, 90 C\$ 60 Federal Dev. 117, 80 C\$ 50 R. Bk. Cenade 10 86 C\$ 40 Tordom Cpn. 137, 85 C\$ 30 M Bk Unmk. 8 81 EUA 25

SWISS FRANC

DELITSCHE MARK

Such a development, however

from the New York market, which throughout this week has tended to move up in the morning only to lose ground in the A \$100m seven year Yankee

bond issue is being arranged for Denmark through Lehman Brothers Kuhn Loeb in New York A yield of 141-1 is expected and the bonds will be priced next Wednesday. The borrower is triple A rated by Standard and Poors and double A rated by Moody's.

In the foreign guilder sector,

THE INITIAL \$25m tranche of could lead to a sharp upward Cooperation Economique has been launched through Amro Bank. The borrower is paying an indicated coupon of 12 per cent for this issue which has an average life of 101 years

Deutsche Mark foreign bonds were a little ahead yesterday and so were Swiss franc foreign bonds. In both cases prices were Compagnie Francaise des Petroles, which completed a private placement of SwFr 50m last week is expected to launch a SwFr 80m public issue through Credit Suisse next week Meanwhile, Hild, the Liechtenstein manufacturing company, is arranging a SwFr 30m five year private placement which carries a coupon of 6% per cent through

the same bank.

#### FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday, April 14.

Closing prices on March 12 U.S. DOLLAR

	Anti oe briorizuea next ou	Tuesday, Apru 14.		Closing prices on march
	U.S. DOLLAR	Change on	SOFTE 84 89 EUA	40 85% - 86%0%0% 10
	STRAIGHTS Issued	Bid Offer day week Yield	U. Bk. Nrwy, 91, 90 EUA	18 97 984 0 +04 8
	Amoco 134, 88, 75			
		952, 96 +02 +1 14.23	Algemene Bk. 10% 86 Ft	
	CECA 113 88 100	884 887 0 +1 14.10	BkMees & H. 10 85 F	
	CNE 123, 91 100	914 824 0 +03 14.32	Hainsken NV 10 87 Fl	
	Citicorp O/S Fin. 10 86 300	851 861 0 +07 13.86	Nat. Nedrlada. 10 88 FI	
	Citicara O/S Fin. 12 87 200	90% 91% -0% +0% 14.11	Ned Midd. 8k, 10 85 Fl	75 98's 98's -0's +0's 10.
	Can. Illinois O/S 9% 86 150	837, 844, 0 +0, 14.17	. Preman 10% 86 Fi	
	Denmark 117, 90 100	85-2 86 -012 +012 14.63	Aaro Paris 134 87 FFr	. 150 94½ 95½ +0½ +1 14.
	Dupont Canada 131, 91 .65	951 967 0 +01 14.27	Charb'nages 137, 85 FFr	400 97% 98% -0% +0% 14.
	EEC 11 95 (May) 75	803 807 +03 +7 14.23	CECA 14 86 FFr	150 - 984 994 -04 +04 14
	EEC 11 95 (August) 70	784 794 +04 +1 14 50	EIB 144 88 FFr	
	EIB 132 90 100	961 961 -01 +01 14.43	Finland 11 84 FFi	80 90 914 +04 +14 14
	Eksportfinana 91- 87 75	824 824 -04 +07 13.81	Gaz de Frence 11 84 FFr	750 907 917 +04 +05 12
	Eldorado 134 86 50	96- 96- 0 -0-14.31	- La Redoute 14% 85 FFr	125 954 964 -04 +14 15
	Elsc. de France 10 88 126	82 821, -01, +0, 14,00	OKB 14 86 FFT	400 983 994 +04 +1 14
	Elec. de France 13 88 125	954 954 +04 +14 14.07	Utd. Mex. Sts. 14 85 FFr	150 56 97 0 +04 14.
	Export Dv. Con. 121 87 100	941 941 0 +01 14 11	Acona 14 85 £	
	Export Dv. Con. St. 85 150	833, 843, 0 +0-14.27	Beneficial 14% 90 £	
	Fin. Exp. Credit 10 ¹ 2 85 50	867 877 -02 0 14.59	BNP 132 91 £	
	Finland, Rep. of 94 86 100	823, 823, -04, +05, 14.67		15 954 97 0 +03 14,
	Ford Credit O/S 14% 83 150.		CECA 133, 88 £	20 96 97 0 +0 14.
			Citicoro O/S 1312 90 f	50 96% 97 +0% +0% 14.
		103 10312 0 +01, 14.53	Fin. for Ind. 142 88 £	20 997 100° 0 +0° 14.
	Gaz de France 131, 86 80	98 98 0 +04 13.99	Fin. for Ind. 13% 87 C	20 974 984 -01 +07 14
	GMAC O/S Fin. 12 87 100	891, 895, +01, +01, 14.58	Gen. Elec. Co. 127- 83 E	50 S5 S5 & +14 13.
	GMAC 0/6 Fin. 127, 88 100	921, 923, +01, +11, 14.69	Peupeot SA 14 80 £	23 94 95 +0 +1 15
	Gen. Mtrs. 0/S 11 87 100	88% 89% -0% +0% 14.40	Rothschild 144 90 E	12 974 982 0 -04 14,
ı	GTE Fin. 133, 86 (WW) 50	984 984 -04 +04 14.16	Royal Trustco 14 86 E	
	Hudson's Bay 111, 90 75	854 864 D +05 14.40	Swed. Ex. Cr. 154 85 £	20 102% 103% 0 +0% 14.
	(18M Canada 10 ³ z 85 50	95½ 96½ Ù -1 11.70	Banobras 8% 90 KD.:	7 189 2 90 6 0 10.
I	IBM Wid. Trade 121, 88 200	951, 957, +03, +13, 13,50	CCCE 8 91 KD	10 182 83 0 0 11.
	Newloundland 1312 90 60	947, 947, 3 +07, 14.60	Sonatrach 81, 90 KD	12 192 92 0 0 79
ı	Nova Scotia 104 90 50	824 824 0 11 14-22	Akzo 8 87 LuxFr	500 874 884 - 04 - 04 12.0
i	OKB 10 85 50	871, 871, 0 +05, 13.98	Eurstom 94 88 LuxFr	500 887, 897, 0 -07, 12.
i	Ontario Hydro 1312 91 100	95" 95" -0" -0" 14.34	Eurofima 1012 87 LuxFr	500 944 954 -04 -14 11.
	Duebec Hydro 111, 32 100	83 83°, 0 +0°, 14.59	EIB 94 88 LuxFr	800 897, 907, -01, -04, 11,
Į	Queb. Hy. 13 91 (WW) 100	914 924 0 +01 14.53	. Volvo 9% 87 LuxFr	500 87- 88- +02-12
	Roviesse 111 85 50	91 911, -01, +01, 14.07		
į	SNCF 121 85 50	95 95 0 +0% 13.91	FLOATING RATE	
ı	SNCF 13 91	94 941 + 01 + 05 14.10	NOTES Sp	read Bid Offer C.dte C.con C.y
ł	Svan Handelshk 134, 88 45	95 ¹ 2 96 +0 ¹ 4.74	Allied Insh Bank 54 87	0 99 99 99 2/7 164 16.1
Į	Sweden 124 85 150	944 -944 0 +012 14.08	Bank of Montreal 💤 90	01. 99% 100L 1976 191. 191
	Swed. Ex. Credit 12 83 50	9374 9474 -074 +074 14.89	Bank of Tokyo 54 89	10° 98° 99° 25/4 18.31 19.5
ł	Swed. Ex. Credit 13 86 75	947, 951, 0 +01, 14.43	85L Int. 5 86	0°- 99'- 99'- 20/9, 16'- 16 5
j	Tribune O/S Fin. 14 88 50	97% 98% 0 +0% 12.62	Bergen Bk. A/S 8 89	0 1985 987 29/5 174 17.
ı	World Bank 93, 85 200	874 884 0 +04 13.67	BNP 61, 88	04 994 1004 29/4 18.69 18.7
1	World Bank 10% 87 300	84% 3E% 0 ±0% 13.97	CNT 5- 86	0 ¹ 4 99 ¹ 4 99 ¹ 4 16/4 13 ¹ 4 13.1
I	Average price changes On	day 0 on weak +0%	Christiania Bk. 5 2 91	04 974 984 5/5 174 18.0
j		-	Citicara O/S F 84	10 99 QAL 21/7 18 04 18 6

· No information available previous day's price. **No information available—pravious day's price.

† Only one market maker supplied a price.

Streight Bonds: The yield is the yield to redemption of the mid-price: the amount issued is in millions of curreacy units except for Yen bonds where it is in billions. Change on week — Change over price a week earlier.

Floating Rate Notes: Denominated in dollers unless otherwise indicated. Coupon shown is minimum. C.dts—Date was indicated. Coupon shown is minimum. C.dts—Date six-month offered rate (\$ three-month: § above mean rate) for U.S. dollars. C.cpn—The current coupon.

Convertible Bonds: Denominated a deliver.

Covertible Bonds: Denominated in dollers unless otherwise indicated. Che day Change on day. Che, date First date for conversion into shares. Che, date Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prema Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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#### Province of Newfoundland

(Canada)

60,000,000 U.S. Dollars 13½% Bonds due 1990

Crédit Commercial de France . A.E. Arnes & Co. Limited Banque Bruxelles Lambert S.A. • Daiwa Europe N.V.

Dominion Securities Limited • Dresdner Bank Aktiengesellschaft

Goldman Sachs International Corp. • Kredietbank International Group McLeod Young Weir International Limited . Merrill Lynch International & Co.

J. Henry Schroder Wagg & Co. Limited • Union Bank of Switzerland (Securities) Limited

Algement Bank Nederland NV. . Amyo International Limited . Arch Bank Investment Company Limited Bache Halsey Stanta Shirka har recustance RV. • Anno membrana innec. • Anno sont investment company innec.

Bache Halsey Stant Shirka incorporated • Barner Commenciale Indiana • Barner del Gottardo • Barne of America International Lat.

Barne Mar Fischer ECV • Barne Gutswiller Eurz, Burgenber (Overseus) Limited • Barne Leu International Lat.

Barne of Tokyo International Limited • Barners Trust International Limited • Barners Hermann Lampe Kommandiges encritonale d'investissement (BALL) + Bonque Françoise du Commerce Extèrieur + Bonque Générale du Luxembourg S.A. Banque de l'Indochine et de Suez • Banque Internationale à Luxembourg S.A. • Banque Nationale de Paris Bonque de Meullire, Schlumberger, Mollet + Bonque Populaire Svisse-S.A. Loxembourg + Bonque Worms Sanque de resume, Sanque de resume : Sanque de Region de la company de l

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New Issue • February 3, 1981



# Hoechst increases sales by 10%

BY KEVIN DONE IN FRANKFURT

HOECHST, THE West German HOECHST, THE West German pany profits, which dragged Despite the 4.3 per cent in-chemical group, increased world down Hoechst's group perform-crease in parent company turn-ance sharply in the second and over, production fell by 1.9 per to DM 29.7bn (\$14bn) despite third quarters of last year, was the recession in several of its arrested in the last three most important markets. months and final quarter profits

Pre-tax profits of the parent at DM 203m were marginally company—figures for the group upare not yet available — declined marginally to DM 905m on a likely to show a more serious hirnover of DM 11.2bn, com-decline—for the nine months pared with DM 907m and sales of DM 10.7bn in 1979.

Profits worldwide for 1980 are pared with DM 907m and sales of DM 10.7bn in 1979. the were down by 5.6 per cent following a fall of 42.2 per cent in the third quarter—partly yesterday that it is still planning to hold its 1980 dividend at DM 7.00 per share. The erosion of parent com-

cent and Hoechst plants were working at only 72 per cent of capacity in the last quarter of the year compared with an average of 82 per cent in 1979.

Demand has strengthened little in the first two months of this year compared with the final quarter of 1930. The increase in world sales last year was helped by strong expansion in Asia, Africa and Australia.

Hoechst suffered most pres-The erosion of parent com- first time in more than a decade. sure on profit margins in petro-

Despite the 4.3 per cent in- chemicals, plastics and fibres. downturn were pharmaceuticals, agrochemicals, process plant engineering, industrial gases and reprographics.

> Divisions manufacturing products from oil-based feedstocks were affected by price increases for crude oil and oil products. These includes Hoechst's organic chemicals, plastics, and fibre divisions.

Spending on capital goods totalled DM 585m last year, up 19.9 per cent from the DM 488m of 1979, the company said.

# Bertelsmann plans slower expansion

BY OUR FRANKFURT STAFF

media concerns, is pausing to the group's growth is coming catch its breath after a year of increasingly from foreign rapid expansion, particularly in the U.S.

man. Turnover is expected to in 1975-76.

grow by about 9 per cent to After-tax profits jumped by Records, Brown Printing and DM 5.45n (\$2.55bn) in the year 44 per cent to DM 56.4m last the acquisition of the outstand-

extra sales some DM 519m came from existing activities and DM 285m from acquisitions.

BERTELSMANN, the West for some years by Federal record club membership. German publishing empire and Cartel Office objections to one of the world's three largest further domestic takeovers and

in the U.S.

Turnover derived from outing the structure of the balance side West Germany totalled 42.6 sheet, said Herr Mohn.

Planued before 1982/83, said per cent of sales in 1979-80 complete Reinhard Mohn, the chief pared with 37.1 per cent in overseas has been concentrated shareholder and executive chair.

1978-79 and only 25.9 per cent in the last two years on the U.S.

With the takener of Arists.

ending June, 1981.

year. Despite a trading result ing 49 per cent of Bantam Sales for 1979-80 rose by 20 down by 8.4 per cent at Books, the New York-based per cent to DM 4.8bn. Of the DM 317m. The group suffered publisher.

extra sales some DM 519m came one-off losses of DM 55.9m on Its other major U.S. venture,

The strains placed on the group's finances by the expan-

sion of the last 18 months now called for a "phase of consolidation" with the aim of improv-

rom existing activities and DM new product development and the launching of a U.S. version 85m from acquisitions.

DM 102.3m was spent on came of its successful German maga-Bertelsmann's: expansion in pages to increase magazine zine Geo as a rival to the U.S. West Germany has been limited subscriptions and book and institution National Geographic,

has run into "serious problems,

Bertelsmann was hopeful of reaching a break-even point by 1982 when it launched the venture in 1978. The magazine's present circulation of some 218,000 is well behind the and the German publishing group sees little chance of breaking even before 1984-85. A new management team has start-up total some DM 50m-and the company is in the pro cess of arranging a re-launch for the magazine.

In Germany, the group's leading magazine titles include Stern, Capital and the fashion

#### HBG plans to pay steady dividend

By Charles Batchelor in

GROEP (HBG), the largest Dutch contractor, intends to maintain its dividend payment despite the decline in profit in 1980. It expects little change in the level of profit this year.

The net result fell by 11 per cent to F1 51m (\$22m), in line with the revised forecast made in September. The company then attributed the downturn to the disappointing performance of its British sub-sidiary, Edmund Nuttall Roldings, though it gave no further detalis.

dend of Fl 6 per share, taking the total payment to an un-changed FI 7 per share. It will also repeat last year's one-for-30 scrip issue. Profit per share fell by 14 per cent to FI 20.70, partly because of the increase in capital last year. Cash flow fell 11 per cent to Fl 53.01 per share.

Sales rose 3 per cent to Fl 2.915n (\$1.245n) last year while the volume of uncompleted work at the end of the year rose by 15 per cent to around Fl 3.25bn. Turnover is expected to rise further in

In the second half of 1980 office building declined though house-building continued at an unchanged level. The steel construction market remained difficult while dredging experienced a slight upturn. The company said it booked more orders than it expected outside Europe from a wide range of countries.

#### German group to pay more

By Our Frankfort Staff Metallgesellschaft, the West

German metals, process plant and chemicals group, is in-creasing its dividend to DM 6 (\$2.83) per share for 1979-80 compared with DM 4. After several lean years the Frankfurt-based company managed to boost pre-tax profits last year by around 25 per cent and raised its turnover by 12 per cent to DM 8.8bm.

The payment is being made in the form of a dividend of DM.5 plus a jubilee boms of

Major shareholders include Kuwait, which recently in-creased its stake to 20 per cent, Dresdner Bank, Deutsche Bank and Allianz, the insur-

metall and Württembergische

West Germany's largest pro-

ducer of cutlery. Both com-panies are expected to appeal

The intent to merge was

registered with the cartel office

by Rheinmetall Plastik-maschinen, which, as with the

parent company, belongs to Röchling an iron and steel group with a turnover of some DM 3bn (\$1.42bn). WMF has sales of about DM 500m. Rhein-

metall is engaged in mechani-

cal engineering and is an impor-

tant defence contractor.

The Cartel Office said the

Metallwarenfabrik

against the decision.

Cartel Office rejects

(WMF),

Rheinmetall merger plan

THE West German Cartel Office "dominating" market position

has rejected a proposed merger of WMF compared with its between a subsidiary of Rheinsmaller competitors would be

ling group.

# Stora Kopparberg boosts profit

BY VICTOR KAYPETZ IN STOCKHOLM

sawn timber and a Nova Scotia of SKr 568m, or only 15 per cent year was up 42 per cent to hydropower" pushed the operat-SKr 610m (\$132m) compared ing earnings of this lucrative with SKr 430m in 1979.

Other sectors, such as pulp and paper production in Sweden, showed roughly unchanged unchanged operating earnings.

retical earnings per share ahead from SKr 29 to SKr 42. Group sales rose 11 per cent

sector ever higher.

Stora Kopparberg's favourable earnings situation in 1980 has strengthened group liquidity considerably, the company says. The board has decided to spend The board proposes to increase about SKr 400m to modernise the dividend from SKr 11 to the Kvarnsveden newsprint and SKr 12.50 per share on theo magazine paper mill, including expansion and quality improvements in its magazine paper operations.

to SKr 4.12bn (\$894m), and • Iggesund, the forest products, levels, as well as smaller stock operating profit increased from chemical and steel group, gains on Iggesund's steel pro-SKr 531m in 1979 to SKr 683m reports 1980 pre-tax profits of ducts than in 1979. The strikes last year, while net financial SKr 102m (\$22m) on sales 4 per and lockouts in Sweden last SKr 2.100 (\$456m), falling short of its SKr 30m.

SWEDEN'S Stora Kopparberg In 1979 the group's power forecast that earnings would was helped to higher earnings in sector generated operating earn-exceed the adjusted figure of 1980 by improved performances ings of SKr 248m—nearly half SKr 125m for 1979 and that from power generation, wood, the consolidated total—on sales sales would reach SKr 2.2hm. The proposed dividend is

sawn inher and revised a Nova scotta of short soul, of only 10 per tent in 1980 SKr3 per share for a payment solidated pre-tax profit for the "unusually plentiful access to totalling SKr27m, against year was up 42 per cent to hydropower" pushed the operat. SKr7.14 for 1979 after adjusting for last year's bonus issue. Theoretical earnings per share after estimated tax dropped from SKr 22 to SKr 17.

A slowdown in deliveries of bexboard and wood products late in 1980 harmed profits and a halt in operations for repairs at its pulp mill cost an estimated SKr 10m.

Other reasons for the fall in earnings were extra EEC tariffs for imports of Swedish paper products beyond agreed

# Stock gains help Fagersta

special steels group, reports that its pre-tax profit climbed from SKr 72m in 1979 to company's share totalling SKr 107m (\$23m) last year, but SKr 40m last year against adds that this includes substan-Last that earnings would reach stake and Sweden's Sandvik owns the rest. The proposed dividend is

Group sales rose 13.5 per cent much of 1931, but believes that to SKr 2:15bn (\$466m), marginally ahead of the SKr 2:1bn ducts will rise somewhat.

the Swedish predicted in August. The earnings figures in the preliminary report exclude the

The group anticipates that the SKr 6 per share for a payout weak demand for its steel pro-totalling SKr 9m, up from ducts prevailing since last SKr 5 per share for 1979. spring will continue during

Last year was the first in which Statoil's accounts were

profit of NKr 228m.

Given the low order backlog at the end of 1980, group sales will drop slightly to about SKr 2.1bn while earnings are "estimated to be considerably lower than for 1980." • The Board of Fortiz, the

Swedish pharmaceuticals group, proposes to pay shareholders an unchanged dividend of SKr 5 a share for 1980 despite reporting a 12 per cent decline in earnings to SKr 77.2m (\$16.5m). Group sales rose by 17 per cent to SKr 1.22bn (\$265m), writes William Duliforce in

#### North Sea oil leaves Statoil with first profit

oil company founded in 1972, achieved its first net profit last consolidated with those of its year after almost a decade in petrochemical, refining and the development and invest-

Group pre-tax profits, after depreciation and financial costs, reached NKr 203m (\$37.7m) and group turnover amounted to NKr 8.6bn (\$1.6bn). The annual report predicts a net result of about NKr 1bn for the current year, reflecting high earnings from oil produced on the Anglo-Norwegian Stattjord field, in which Statoil has a 42 per cent stake.

strengthened by a merger with the "financially potent" Röch-

The Cartel Office said the

question of financial resources

against the merger. The Federal

Supreme Court, he noted, ruled

a few years ago that in a planned merger the financial

strength of the larger company

must be taken into considera-

tion as it was inevitably transmitted to the smaller company.

Rheinmetall, he noted, had ambitious plans for WMS and this

would have involved a consider-

able transfer of financial

was important in deciding

Rights issue from Elkem

By Our Oslo Correspondent

ELKEM, the Norwegian metals, mining and manufacturing group, is planning to increase share capital by Nkr 95m to Nkr 480m through a one-for-four rights issue at 80 per cent of

marketing offshoots, making comparisons difficult. But in 1979 Statoil alone incurred a The group says the proceeds net loss of NKr 217m, while in will be used to finance its takeover, together with other partners in a Norwegian-1980 Statoil alone posted a net Canadian consortium, of Union Carbide's ferro alloys interests. The group figure is lower because Statoil's oil products

The announcement of the new share issue is evidence that the takeover negotiations—in hand since the middle of last yearare nearing a successful con-

#### marketing subsidiary. Norol, traded at a loss in 1980. Group investments in 1980 reached NKr 2.6bn, mostly in connection with the develop-ment of the Statfjord field.

Singapore trading group

seeks cash from holders

Government-owned international trading company, has announced a rights issue which will raise \$\$60m (U.S.\$28.6m). The issue, on a one-for-one basis at S\$4 a share comes on top of a one-for-

four scrip issue. The bonus shares will qualify • United Industrial Corporation for the rights issue. On com-pletion of the two issues, group, has announced a three-intrace's issued capital will be raised from the existing \$\$12m the capitalisation of \$\$53.16m The announcement of the revaluation of its holdings in

issues comes with the report UIC Development UIC Developthat group pre-tax profit in 1980 ments, went up by 18 per cent to subsidiary which owns 60 per \$\$6.55m (U.S.3.12m), while at cent of a prime office building the post tax level, profit was 16 located in the heart of per cent higher at \$\$3.95m. Sales expanded at the higher and known as UIC Building.

INTRACO, a part Singapore rate of 40 per cent, to S\$174.5m (U.S.\$83m).

The group has proposed a first and final gross dividend of 15 per cent, 24 percentage points higher than the payout the

(UIC), a chemical and property for-four scrip issue, backed by (U.S.\$25.3m) arising from the

Singapore's financial district

This announcement appears as a matter of record only



# tinmeccanica

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The National Bank of Kuwait S.A.K.

The National Bank of Kuwait S.A.K.



February 1981

Zambia

raises

record

Euroloan

ZAMBIA has secured its bigg

ever loan on the Euromarket The \$150m club, or private arranged, deal signed cards

this week with six internatio

The credit, which will be

banks is designed to pr

Lusaka with foreign end

available, initially, for new

12 months, has been raised.

the name of the Zamhian Can

tral Bank by the Bank America with the Bank

the International Moneta Fund, which seems likely

IMF is also likely to call for sharp cuts in food subsidies a

Zambia would probably ha

preferred to raise an oil finare

facility with the Fund or fi World Bank but there in

clearly been no time to

Only last December.

country came close to a forei

exchange crisis and, it is und

stood, a tanker carrying oil fi

exchange earners

offer Lusaka a three-year ec

o buy oil.



#### CGEE ALSTHOM-COGELEX

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February 1981

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# INTERNATIONAL COMPANIES and FINANCE

#### Samurai market regains momentum

THE SAMURAI BOND market, under modified guidelines, is regaining some of the momentum lost from the end of last year when market conditions turned against it.

Underwriters in Tokyo have greed to keep issues down to Y20bn (\$96m) per borrower (except for the World Bank which will be allowed a Y30bn limit). For the time being, there are to be only two issues a month, with the possibility of three a month being scheduled by June if market conditions

Samurai bonds, as yen de-nominated bonds issued by foreigners are called, had been year. Borrowers refused to accept coupons which were then rising despite a decline in the long-term yen prime interest rates and lower coupons decided on for large government bond

proved. But it will be worth paying attention to how Samurai rates react to a further cut in interest rates, which should be touched off by an expected drop in the Bank of Japan's official discount rate

The long list of candidates now waiting for public and private placement bonds leaves no doubt, however, that Japan offers horrowers attractive conditions. Venezuela signed an agreement last week to float a Y20bn bond issue, for 12 years, at a coupon of 8.6 per cent priced at 99.90 per cent and the Asian Develop ment Bank is scheduled to make a Y15bn issue later this mouth.

There are two issues planned for both April and May with the possibility of three issues in June being discussed

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# Surprise A\$156m offer for Containers by APM

surprise A\$156m (US\$181m) takeover bid for the Containers packaging group.

The move heralds another shake-up in the Australian packaging industry which has undergone a series of major years. But surprisingly APM has decided to move on the group only after approaching one major shareholder and without attempting to make any forays into the stockmarket.

APM is offering either A\$5 in cash for each Container share or three APM shares plus A\$4

featurers (APM) has launched a shares held. It is also offering sell. A\$1 a share for the 2.5m Containers preference shares in issue. On this basis the cash and share offer values Containers at A\$5.22 a share indicating a market capitalisation

> APM has held talks with the Containers U.S. company, Group, which owns 28 per cent of the Australian company, and discussions are still continuing to secure the strategic stakes necessary for the bid's success. However. following the announcement of the bid, Con-

cash for every two Container notice to shareholders not to

APM believes the acquisition will broaden the base of its acticompany is also looking to develop and extend its packag-ing activities through the acqui-

remain an autonomous unit. Less than a month ago Con tainers posted a strong halfyear result showing profit up 36 per cent from A\$4.9m to A\$6.6m. Projections for the full year put profit some 30 per cent higher than for 1979-80 at

#### bank, Grindlays Bank, Standard Chartered margin is 11 over the London

Wormald lifts profit and payout

WORMALD INTERNATIONAL. the diversified Australian-based security group, increased its vious year. But Wormald's after-tax earnings by 20 per cent in the six months to December 31, and again increased the interim dividend despite prob-lems with UK and Middle Eastern subsidiaries. Earnings rose from A\$8.6m to A\$10.3m US\$12.1m), representing a rise in earnings per share from 21 cents to 24 cents.

An increase in the interim yout from 9 cents to 10 cents share is declared. Group operations, the directors said had improved both

in margins and volumes in most areas other than the UK and the Middle East, and they expected this to continue for the full year. These two areas of difficulty

were mainly responsible for limiting turnover growth to 14 (US\$422m) against A\$316.2m. The war between Iran and Iraq had affected operations both directly, in that area, and indirectly, in Europe, it was added. UK sales were only increased by a recently slightly ahead of those the preannounced

sales were growing faster than inflation and the level of followed a 16.8 per cent profit inquiries was beginning to advance in the last full year. reflect the demand for the infrastructure needed to permit income up from A\$0.74m to resource development, The result was after tax of cent to A\$44m and depreciation \$6.68m, against A\$44m, was up from A\$0.33m to atterest of A\$11.7m (A\$11.94m) A\$0.41m, but the provision for

interest of A\$11.7m (A\$11.94m) and depreciation of A\$5.08m of A\$469,000, compared with A\$101,000.

GROWTH FROM related projects helped Comeng Holdings, the Sydney based engineering group to lift earnings for the half year to end December by 15.4 per cent from AS5.2m to AS6.03m (U.S.\$7m) on a 15.2 per cent sales increase (U.S.\$114.5m).

The company is maintaining the interim dividend at 6 towards the end of the last cents a share on capital financial year."

issue. The dividend is covered Comeng's

(A\$4.88m). The result does not to A\$0.75m the result excludes include an extraordinary loss an extraordinary surplus of

> Rolling resource diesel electric locomotives, rail diesel power and trailer cars, trams, coal wagons, and general purpose freight wagons the

"Sales to the mining and manufacturing industries by Martin companies maintained the improvement which started

### HK unit trust duty delay

KONG'S Financial under Secretary, Sir Philip Haddon- grown to over U.S.\$600m, Cave, has said that he will from U.S.\$20m ten years ago. postpone implementation of warned when the Bill was that part of a new stamp duty gazetted last month that they Bill that imposes a 0.3 per cent would move to new offshore duty on purchases and centres, if it was enacted. They redemptions of units in unit said it was unjust that they be trusts, based in Hong Kong. taxed because almost all their The delay is being made to funds were raised and invested allow the trusts time to con- outside Hong Kong. They also sult with the Government on claim that there was a tacit procedural matters. But the understanding with the Government says there are no Government that no stamp proposals at the moment to duty would be imposed.

amend the Bill.

They welcomed this a

They welcomed this week's

six months. foreign exchange, Zambia: likely to draw rapidly on the banks and the Zambian Govern

Earnings include investment A\$0.83m. Tax rose by 18.2 per interest declined from A\$0.92m

the period included

in the Gulf while money was found to pay for its cargo. 1 SUROPEA foreign copper and cobalt were under mined earlier this month when

> cobait price by 20 per cent. Cobalt accounted for 13 per cent of Zambian export earnings in 1979 and the price of copper, which accounted for per cent, remains low.

nounced it was cutting its world

#### Philippines bank ahead

PHILIPPINE NATIONAL B the state-owned and largest rose mercial bank in the Philippines increased its-1980 profits by (U.S.\$28m) despite an increa

in the cost of funds. The ratio of the cost of fund Representatives of the 80 news of a postponement as a to total expenses increased trusts in question, whose funds concession to their protests. from 74 per cent to 78 per cent

MOITANE

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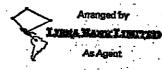
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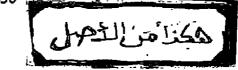
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-2.43 1.40-1.50dis -2.61 -3.16.2.15-2.35dis -3.38 2.31 3-2 pm 1.92 -0.16 13-23 dis -0.94

-0.16 13-23 dls -0.35 1½-3½ dls -0.51 0.43-0.68dls -1.28 1 pm-per -0.95 40pm-150dls -30-145 dls -4.62 27½-30½ dls -1.19 3½-1½ pm -3.37 8½-9½ dls -4.82 5.75-5.35 pm 2.17 15-4 pm -5.58 5½-4½ pm -1.59 20-23 (15-4.27 15-4 p

4.87 2.70-2.80 pm 2.68 17-14 pm 2.26 3-2½ pm 3.07 1.58-1.48 pm 1.06 50pm 30 dis 1.74 10pm-20dis

**CURRENCY RATES** 

THE POUND SPOT AND FORWARD

THE DOLLAR SPOT AND FORWARD

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

Mar. 11

Sterling ......
U.S. \$ .....
Canadian \$...1
Austria Sch...
Beigium F....
Danish K....
D mark
Gullder .....
French Fr....

5.365-5.146 Germany... 5.3660-5.3100 Japan..... 75.00 Japan..... 0.2739-0.2741 Notherland 34.62-34.64 Norway... 2.8530-2.8660 Portugal... 1.0855 Spain.... 3.3495-3.3515 Sweden...

Note Rates

32,80-33,20 78,40-79,20 14,65-14,80 10,96-11,06 4,66-4,7012 2250-2340 459-465 5,1512-5,2012 11,90-12,02

mostly quiet, with the entry of New York adding little impetus

In Paris the 121 kilo bar was

fixed at FFr 84,200 per kilo (\$525.40 per ounce) in the after-

noon, compared with FFr 84,900 (\$529.98) in the morning and FFr 85,100 (\$530.44) on Wednes-

day afternoon. In Frankfurt the 121 kilo bar

was fixed at DM 32,530 per kilo

(\$479.04 per ounce) against DM 32,670 (\$481.99) previously, and closed at \$477.480

1488-4891 1251-258

\$251.865 \$127½-129½ \$6522-65½ \$482½-484 \$1182-119½ \$138-140 \$152-176 \$170-176 \$460-485 \$596-601

Discount houses were paying 12 per cent for secured call loans at the start, with later balances

(£24-25) (£217²4-218¹4) (£217²4-218¹4) (£52¹4-52¹4) (£52¹4-52¹4) (£767¹4-258¹4) (£267¹4-258¹4) (£267¹4-258¹4) (£267¹4-258¹4)

to the market.

(£2144-2151₂) | \$472-475 (£2145-216) | \$477-460 (£215.352) | \$475.50 (£216.461) | \$476.25

**Gold Coins** 

GOIG LORDS (£22112-222) (£11312-11412) (£5714-5834) (£2534-2454) (£2534-2454) (£65212-65312) (£65212-65312) (£767-7914) (£287-269) (£287-269) (£297-272)

2.2120-2.2230 2.2190-2.2200

2,6520-2,6630 2,6600-2,6610 5,17-5,21 5,19-5,20 76,55-77,05 78.90-78.90 14,70-14,75-1 14,74-14,75-1 1,2800-1,2890 1,2845-1,2890 4,77-4,78-2,1890

2.6520-2.6850 2.6600-2.6610 0.65-0.78c dis 1.5.75-21 5.19-5.20 17-1/c pm 76.56-77.05 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90-78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90 78.90

2 Spread Close One month

2.2120-2.2230 2.2190-2.2200 0.40-0.50c dis
1.7230-1.7300 1.7230-1.7250 0.20-0.30c dis
1.7255-1.1931 1.1982-1.1931 0.24-0.25c dis
2.3350-2.3430 2.3355-2.3400 1.00-0.90c pm
34.60-34.67 34.62-34.64 82-7.0 pm
34.60-34.67 86-234.64 87-7.0 pm
35.60-56,30 56-25-75 2.1125-2.1135
55.60-56,30 56-05-75 20c pm-10 dis
25.90-86.15 86.00-86.10 25c pm-par
1.0223-1.025-1.024-1.025 25c pm-par
1.0223-1.025-1.024-1.025 25c pm-par
1.0223-1.025-1.024-1.025 20c pm-10 dis
2.3375-5.4025 5.3380-5.4000 1.70-1.20cre pm
4.9775-4.9530 4.9825-4.9675 1.75-1.65c pm
4.9075-4.8150 4.6140-4.6160 0.30-0.50c pm
14.94-14.97 14.947-14.95-1.600-4.70gro pm
1.9230-1.9410 1.9370-1.9330 1.23-1.18c pm

K and Irsland are quoted in U.S. currency. Fo

Bank of Morgan England Guaranty Index Changes?

-25.9 -4.0 -18.4 +22.3 +9.1 -10.5 +40.2 +74.1 +15.8 -9.6 -53.7 +42.5

99.1 100.0 34.9 115.1 107.6 89.4 120.6 134.0 112.2 85.5 61.1 146.7

11.77-11.78 168,70 0,504-0,610 76,80-76,90 6,02-5,03

Rate given for Argentine is tree rate. * Selling rate.

**CURRENCY MOVEMENTS** 

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base giverage 1975-100).

OTHER CURRENCIES

0.40-0.50c dia 0.65-0,75c dia

# £ and \$ steady

Sterling showed little overall change in currency markets Its trade weighted index showed a slight fall, but trading lacked tempo in the

slightly, while a lower trend in West German interest rates may have helped the U.S. unit.

European currencies were slightly firmer against the dollar and within the EMS. Tension over the situation in Poland remains a market factor—The D-mark was firmer at yesterday's fixing in Frankfurt, with sterling lower at DM 4.6910 against DM 4.6950, and the Swiss against the D-mark, and the Sundesbank bought Belgian france as ing to DM 1.0940. The dollar rose to DM 2.1142 from DM 2.1117 in Geatureless trading, and there and French franc.

STERLING-trade - weighted index (Bank of England) fell to 99.1 from 99.3; having stood at 99.0 at noon and 98.9 in the morning. The pound traded within a narrow range yesterday and lost a little ground in featureless trading. Against the dollar it opened at \$2.2150, and was quoted at \$2.2150 around the property of the franc. Rising German interest was seen as the principal factor behind the Belgian franc's latest weakness.

DANISH KRONE — Fairly noon before going on to a best level of \$2.2230. It closed at \$2.2190-2.2200, a rise of 15 points from Wednesday's close. Sterling was unchanged against the D-mark at DM 4.6925; but eased

**Dines** 

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to 100.0 from 100.1. The dollar eased slightly in low volume trading. Euro-dollar rates were DKr 3.1450 from DKr 3.1437. hardly changed. Against the DKr 3.1450 from DKr 3.1437. The French franc improved to DM 2.1130 against DM 2.1150, and SwFr 1.9375 from DKr 1.3348 compared with DKr 1.9349. The Belgian franc showed a slight rise to SwFr 1.9400 in terms of the DKr 19.22 per BFr 100 from Swiss franc. The yen was steady at the close, quoted at sterling fell to DKr 14.7225 from DKr 14.7570.

D-MARK-A sharp rise in German interest rates coupled with the introduction of a special Lombard facility has led to a recovery by the D-mark, and trading lacked tempo in the absence of any fresh news. It is now the strongest currency between the strongest currency within the European Monetary system. Previously, high for gilt-edged stock.

Dollar was slightly easier with Euro-dollar rates falling slightly, while a lower trend in west German interest rates may have belied the U.S. with the dollar and within the EMS. Tension over the situation in

the Belgian franc was fixed at its lower limit of DM 6.099 per BFr 100 compared with DM 6.104 on Wednesday, and the Bundesbank bought about franc's latest weakness.

DANISH KRONE — Fairly

steady around the middle of the EMS, but losing ground to the D-mark following the sharp rise in German interest rates. The krone has managed to recover some ground against the dollar and sterling however — The slightly against the French france for FFr 11.08 from FFr 11.0725.

DOLLAR—trade — weighted index (Bank of England) fell to 100.0 from 100.1. The dollar rose to DKr 6.6415 from DKr 6.6285 and cliently as law volume.

EMS	EUROP	EAN	CURRE	ENCY	TINU	RATES
			Campani	<u> </u>		

й Л	ecu central retas	Currency emounts against ECU March 12	% change from central - rate	%, change adjusted for divergence	Divergence
Beiglen Franc Danish Krone	39,7897 7.72338	41.9847 7.99347	+4.76 +3.50	+1.74 +0.48	±1.63
German D-Mark	2.4820B	2.54319	+2.46	+0.48 0.56	±1.64 ±1.125
Franch Franc Dutch Guilder	5.84700 2.74382	5,99585 2,81338	+2.55 +2.54	-0.47	±1.3557
Irish Punt	0.668201	2,8 1335 0,696797	+4.28	−0.48 +1.26	±1.512 ±1.668
talian Lira	1157,79	1232.80	+6.48	. +3.55	<del></del> 4.08
-: Change	e eve for E	Cli therefore	anahiwa chi	setnask anne	-

week currency. Adjustment calculated by Financial Times.

#### **EXCHANGE CROSS RATES**

Mar. 12	PoundSterling	U.S. Dollar	Deutschem'k	Japan'se Yen	FrenchFrenc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Beiglan Franc
Pound Sterling	0.461	2,290	4,693	460,5	11,06	4,300	5,195	2274.	2.561	76,55
U.S. Dollar		1.	2,114	207,5	4,983	1,987	2,341	1024.	1.199	34,62
Deutschemark	0.215	0.475	1	98,14	2,357	0.916	1,107	484.5	0,567	16,38
Japanese Yen 1,000	2.172	4.880	10,19	1000,	24,02	9.338	11,28	4937.	5,777	166,9
French Franc 10 -	0,904	2.007	4.245	416.4	10.	3,888	4,697	2056.	2,406	69.48
Swiss Franc	0,235	0.516	1,091	107,1	2,572	1.	1,208	528.7	0,619	17.87
Dutch Gulider Italian Lira. 1,000	0.192 0.440	0,4 <u>9</u> 7 0,976	0,903 2,064	88,64 202,6	2.129 4.865	0,828	2,285	457.6 1000.	0,51 <u>2</u> 1,170	14.79 38.80
Cenadian Dollar	0.376	0,834	1.764	173.1	4.157	1,616	1,953	854,5	1,	28.89
Belgian Franc 100	1.301	2,888	6.106	599.2	14.39	5,595	6,760	2958.	5,462	100

#### **EURO-CURRENCY INTEREST RATES (Market closing Rates)**

Mar. 12	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term 7 days' notice.  Month Three months Sk months On e Year	131 ₂ -14 131 ₄ -134 ₉ 125 ₄ -12 <del>1</del> 2 126 ₈ -12 <del>1</del> 2	1478-1518 15-1514 15-2-1568 15-2-1568 1512-1534 15-15-15-16	17-18 17-18 167g-1714 161g-167g 16-163g 161g-151g	1014-1019 1014-1012 1018-1058 1058-1078 1058-1078 1078-1118	23,-34 3-312 7 <del>13-713</del> 814-816 816-812 8-813	914-954 1054-11 1373-1275 1275-1275 1276-1275 1118-1114	11-114 11-114 11-114 11-1136 12-124 125-1278 13-134	1614-1712 16-18 1714-1814 1714-1834 - 18-19 1854-1934	1112-1214 1214-1212 1273-13 1372-24 14-1414 1418-1414	8-81 ₂ 81 ₄ -81 ₂ 8-3-8-6 8-81 ₄ 7-13-8-1 ₆ 8-16-8-1 ₈

SOR linked deposits: one-month 120 121 per cent; three-months 120 121 per cent; six-months 120 121 per cent; one year 120 121 per cent; Asian S (closing rates in Singapore): one-month 151-155 per cent; three months 151-155 per cent; six-months 151-155 per cent; one year 151-151 per cent; one year 151-151 per cent; one year 151-151 per cent; four years 141-152 per cent; five years 141-153 pe The following nominal rates were quoted for London dollar certificates of deposit one-month 15.25-15.35 per cent; three-months 15.25-16.35 per cent; eix-months 15.25-15.35 per cent; one year 14.90-15.00 per cent.

#### FT LONDON INTERBANK FIXING (11.00 a.m. MARCH 12)

3 months	J.S. dollars	6 months	U.S. dollars .
bid 15 1/2	offer 15 5/8	bid 15 1/18	offer 15 11/18

of the bid and offered rates for \$10m quoted by the market to give n at 11 am each working day. The banks are National Westmir Yokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

GOLD

Slight

Gold rose \$3 an ownce in the

London bullion market yesterday to close at \$475-478. It opened

at \$475479 and was fixed at \$477.5 in the morning and \$478.0 in the afternoon. Trading was

3-00 871g-489 191g-1201g 381g-1401g 381g-1401g

another sale and repurchase agreement, involving a very large amount of eligible bills,

unwinding at a fixed future date.
The help was made up with small loans to three or four

#### INTERNATIONAL MONEY MARKET

# German rates ease

Interbank money rates showed a weaker tendency in Frankfurt yesterday, and the Bundesbank followed up Wednesday's intervention by arranging further currency swap agreements to drain liquidity from the market. While the special lombard window remained open at 12 per cent cell money was omated at cent, call money was quoted at 10.50-11.25 per cent, compared with 11.00-11.50 per cent on Wednesday. Longer term rates were mostly unchanged, although one-month money rose to 13-13.50 per cent from 12.75-13.25 per cent. Meanwhile, figures released yesterday showed a DM 6.9bn increase in West Germany's net monetary reserves to DM 67.9bn. In Amsterdam the Central Bank announced details of the latest financing agreement for the Dutch Finance Ministry. Under the scheme the latter will have the facility to draw up Fl 3.475bn from the Central Bank, through sales of promissory notes, from the period March, 1981, to February, 1982. This replaces a similar arrangement involving Fl 235bn, which expired at the end of February.

The funds will be used to cover state cash requirements. In the

Interbank money rates showed longer term rates slightly firmer In Paris call money fell back from Wednesday's level of 11.75

Bruk of England Minimum Lending Rate 12 per cent (from March 10, 1981) Day-to-day credit was in very short supply in the London money market yesterday, reflecting mainly recent sales of glitedged stock. Discount houses were faced with the reduction in banks' reserve assets ratio to 8 per cent from 10 per cent. There was also a moderate amount of bills maturing in official hands. The authorities gave an exceptionally large amount of assistance. This comprised small

ONDON MONEY RATES

money market call mone quoted at 10? per cent con with 10 per cent previous	mpared	LONDON		Y RATE	s	· · · · · · · · · · · · · · · · · · ·					
MONEY RATES		Mar. 12 1981	Sterling Certificate of deposit	Interbank		Local Auth- negotiable bonds	Finance House Deposits	Company	Discount Market Deposits	Treasury	BI
NEW YORK Prime Rate Fed. Fund Treasury Bills (13-week) Treasury Bills (25-week) GERMANY Discount Rate Ovanight Rate One month	18 144-147 13.30 13.14 7.5 10.875 13.25	Overnight 2 days notice 7 days or 7 days notice 7 days notice 7 days notice 7 days notice Two months Three months Nine months One years Two years	13.5-19.5 1279-1254 1259-1256 1215-1275 1215-1275 1216-1218	8-16-2 13-13-12 13-13-14 12-13-14 12-13-14 12-13-13-1 12-13-13-1 12-13-13-1	14 14 133, 161g-131g 121g-1234, 121g-1234 121g-1234	151 ₆ -151 ₄ 133 ₄ -135 ₆ 126 ₆ -121 ₄ 125 ₆ -121 ₉ 121 ₂ -121 ₄	15 131 ₂ 131 ₄ 13 13 121 ₄ 121 ₄	1254 	=	  1178 12 11 <u>6</u> -11 <del>  </del>  	1
FRANCE Discount Rate Overnight Rate One month Three months Six months	9.5 11.626 11.625 11.875 12.4376 12.6376 7.25 8.4376 8.28125	1174-1194 per o	three years g retes for nt. a selling ret rent. Appro- ths 11 ²² u-11	prime pape e for one-m eximate sail e ₃₂ per cem Retes (pub	cent rouser. Buying conth Treasering rate for cone-month	retes for for my bills 11% r one-month h trade bills the Finance days' notice	per cent ur-month b per cent bank bills 13% per c Houses A	two-mor	112 117 117 117 117 117 117 117 117 117	per cent	cent cent pntha it an

per cent to 11.625 per cent,

#### **UK MONEY MARKET Exceptional** shortage

Treasury bill and local anthority The help was made up with taken at 10-11 per cent. In the bill purchases, and a very large small loans to three or four amount of eligible bank bills, all direct from discount houses. In per cent Minimum Lending and rose to 16-16; per cent addition the Bank entered into Rate, for repayment in one before coming down to 13-13;

ADON: MONEY 1211-2								•.		
r. 12 981	Sterling Certificate of deposit	interbank		Local Auth. negotiable bonds	House	Company Daposits		Treesury	Eligible Bank Blils &	Fine Trade Bills •
ght notice notice notice	13,19,3	6-16 ¹ 2  13-13 ¹ 2 13-1356 18 ¹ 8-13 ¹ 4 12 ¹ 8-12 ¹ 8	14 14 1334 1819-1319	1434-1444 1516-1514 1334-1356	15 131 ₄ 131 ₄ 13	1254	10-12 - - 12 13 12 1178-12	- 1178 12 11 <del>8</del> 11 <del>14</del>	12% 12% 12-12% 11%-11%	134 134 126

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage i nominally three years 12%-13 per cent; four years 13-13% per cent; five years 13%-13% per cent. 

Buying rates for prime paper. Buying rates for four-morth bank bills 112%-11% per cent; four-month trade 12% per cent.
Approximate selling rate for one-month Treasury bills 11%, per cent; two-months 11%-11% per cent; thre
Approximate selling rate for one-month bank bills 11%-11% per cent; two-months 11%three-months 11%-11% per cent; one-month trade bills 13% per cent; two-months 13% per cent and three-months 11%-11% per cent; one-month trade bills 13% per cent; two-months 13% per cent and three-months 11%-11% per cent; one-month trade bills 13% per cent; two-months 13% per cent and three-months 11%-11% per cent; one-month trade bills 13% per cent; two-months 13% per cent; two-months 13% per cent; three-months 11%-11% per cent; three-months 11%-11%-11% per cent; three-months 11%-11% per cent; three-months

#### WORLD VALUE OF THE DOLLAR Bank of America NT & SA, Recommics Department, London

The table below gives the rates of exchange for the U.S. dollar egainst various currencies as of Wadnasday March 4. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign and unless otherwise indicated. All currencies are quoted in foreign used as a basis for, particular transactions.

Bank of America NT and SA does not to foreign currencies, and neither Bank of America Times assume responsibility for errors.

				ننخبين كسي				
COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan Albania Algeria	Afghani (O) Lek	44.00 4,5292	Greenland. Grenada Guadaloupe Guate Guatemala Guinea Blasau	Dan Krone E Caribbean \$	6,6395 2,7025 4,9685	Papua N.G Paraguay	Kina	0,6596 137,30
Algeria	Dinar	3,8325	i Gustarionbe	Franc	4,9685 1.00	Pipis D. Rp. of Yemen	Dinar	
Andorra	Sp. Pesets	4,9585 85,05	Guatemala	Quetzal	1.00			0.3415 372,50
Antigua	Kwanza	27.627	Guinea Bearti	Peso	35,784	Philippines	Peso	7.65
Antigua	E. Caribbean F	2.7025 1940.60	Guinea Rep	, syn . Dollar	20,0759 2,5292	Philippines	N.Z. Dollar	1.0852
Apstralia	Poliar 1	0.B61	1		•			31.00 56.72
Austria	Schilling	14,917	Haiti	. Gourde	5.00 2.00	Portugal Port Timor Puarto Rico	Escudo	n.a.
Azores	Port Escudo	55,72	Hong Kong Hungary.	Dollar	5,295	Puerto Rico	U.S. #	1,00
Bahamas	Dollar 1	1,00	Hungary	. Forint	32,53	Catar,	Riyal	3,6397
Bahrain	Dinar S- Breeks	0,3769 86,05	ieland	Krons	1 6,48	Rounion lie de la		4.9685
Balearic is Bangladesh	Taka	15,847	indiaipdonesia	Rupee	8,16	Romania	Leu	4,47
Barbados	Dollar	2.01	Inst	, Kupian Risi	625,00 70,00	Rwanda	Franc	92,84
Barbados	Franc (C)	54.51 55.61	Just-	Dinar	0,2999	St. Christopher	E. Caribbean	2,7025 2,25
Reliza.	Daller I	2.00		. P21Nt=	1.7332 8.58	St. Kelena	E. Carlbhean S	2.7025
Benin	G.F.A. Franc	248,425	israel italy- vory Coast	Lite	1023,50	St. Plerre	Fr Franc	4.9686
Borness	DOMAT .	1.00	vory Coast	C.F.A. Franc	248,425	St. Vincent	E, Caribbaan F	2,7025 1,00
Benin Bermuda Bhutan Bojivis	Peso	8.16 25,00			1,7835	San Marino	IL Ura	1023,50
BOLEWADA	Puia i	0.757	Jamaica Japan Jordan	Yen	207.50	Saudi Arabia	Riyal	3,3458
Brazil Br. Virgin is	U.S. Boller	73,38 1,00	jordan	Dinar	0,8205	Savchelles	C.F.A. PIERC	248,425 5,9776
Brunel	Dollar i	2.097	Kampuches.	Riel	i na.	St. Lucia st. Pierre. St. Vincent Samoa (Am.) San Marino Saudi Arabia Seregal. Seregal. Serera Leone	Leona	1,2795
Bulgaria Burma	Lev	0.87 6,7271	Kenya	Shilling	8,2547	Singapore Solomon Is.		2,097 0,8615
Burendi	Ryar Franc	80'00	Kiribati	Aust Dollar	0.861 0.94	Somali Rep	Shilling	6.0341
Cameroun Rp		248,425	Kenya Kiribati Korea (Nth) Korea (Sth)	, won	670.50	South Africa	Rand	0,786
Canada	Bollar	1.1988	Kuwait	Dinar	0,2741	508Jn	. Pesate.	86.05
Cape Verde	Sp. Pessia	86.05	Lao P'pis D. Rep		1 10.00	Span. Ports in N. Africa	Sp. Pessta	85,05
Cayman is	ESCUGO Dollar	36.61 0.835	i i abanaa	Bauad	4,004	Sri Lanka	Rupee	17,6009
Can. At. Ren	G.F.A. Franc. I	248,425	Lesotho	Loti .	0.785	Sudan Rep	Pound* (2) j Pound* (1)	2,00 1,25
Chad	C.F.A. Franc	248,425 59.00	Lesotho	Diner	1.00 0,2961	Sri Lanka	Guilder	1.80
Chile	Renminhi Yuan	1.6332	Liechtenst'n	Sw. Franc	1.9177	Swaziland	Lilangeni	0.786 4.6075
Colombia	Pero (O)	52,12	Lixembourg	TICK FLIENCE	34,51	Sweden Switzerland,,,	S. Krone Franc	1,9177
CongoP ple.Rep.of	C.F.A. France	248,425 248,425	Macao	Patace	5,305 248,425	Syria	Pound	3,9262
COSTE KICE	Coton I	8.57	Madagascar D, K.,	Port, Escudo	56.72	Toluen	Doller (M	1 28,00
CUDR	PARS I	0.7313 2.5439	Madeira Malawi Malayela	Kwacha.	0.8593	Talwan	Shilling	8,1031
Cyprus	Koruna (O)	2.5468 5.60	Malayela	Ringgit ,	8,264 5,93	Thailand Togo Rep	Baht	20,50
DemRsp.SaoTome		1,00	Maldive Is	W	496,85	Tonga L	G.F.A. FTBRC	248,425 0.861
& Principe	Dobre	36,8006	Malta	Pound*	2,6858	Trinidad & Tobago	Dollar	2.4063
Denmark Dilbouti Rp. of	Krone	6.6395	Martinique	Franc	4,9585 49,685	Tunisia	Dinar	0.3985
Dominica	Franc F. Caribbean S	175,336 2,7025	Mauritius	Rupes	8.1327	Turkey Turks & Calcos	LITA U.S. 5	95.95 1.00
Domin. Rep	Peso	1,00	Mair rg Maire Martinique Mauritania Mauritius Maccioo Miqueion	Peso	23,59	Tuvalu	Aust Dollar	0,861
Equador	Curan (	98.10	Miqueion	Fr. Franc	4,9685 4,9685			1 7.8582
Egypt	Pound	1,4493	Monaco Monaco Morocco Mozambique	Tugrik (0)	3.3555 .	Uganda Utd. A'b. Emir	onung Dirham	3,6795
EgyptEl Salvador	Colon	2,50	Montaerrat	E. Caribbean #	1 2,7025	IMA KIDAAAM	POUDO STATUDOS	2,23
Eq'ti Guines Ethiopia	Elizieje	172,10 2,0381	Morocco	Dirtiam Metics	4,8081 29,0807	Upper Volta	C.F.A. France	248,425 10.32
Enlished to the	Dan Mana	6.6395	t Nemikle	R & Dend '	0,785	Upper Volta Urugusy U.S.S.R.	Rouble	0.7471
Faeroe is	Potrodi	5,22 0,0090	Nauru la Nepal Netherlands Neth. Ant'les	Aust. Boiler	0.861 1			80.899
Fiji	Dollar	0,816	Nepal	Rupee	12,00	Vanuatu Vanuatu Vatican Venezuela	Vatu (D) Aust. Dollar	0.861
FinlandFrance	Markka .	4,058 4,9685	Netherlands	Gulider	2,3327 1.80	Vatican	it. Lira	1023.50
Fr. C'ty in Af	C.F.A. Franc	948 495	155W 45212110	LOUBLE	1,0852	Venezuela	Bolivar	4,8932 2,18
Fr. C'ty in Af Fr. Guiana	Franc	4.9585	Nicaragua Niger Rp	Cordoba C F a France	10,00 248,426	Vietnam	U.S. \$	1.00
Fr. Pac. Isan		85,2018 248,425	Nigeria	Naira (O)	0,5684	Western Samoa		0.9713
Gabon	O.F.A. PRENO Debai	1,7937	Norway	Krone	5.389			4.57
Gambia Germany (E)	Ostmark (O)	2 1055	Oman,Sultanate of	Riel .	1 0,3456	YemenYugoslavla	ruul Dinar	29.37
Germany (W)	Mark	2,1095 2,75	1 -			Zaira Rp		3.45
Ghana	Pound*	2.23	Pakistan	Rupse	9.87	ZambiaZimbabwa	Kwacha	0,888
Greece	Drachma	51,30	Panama	130 HOUR	1 3,00	Zimbabwe	Dollar	0,6536
<del></del>	<del></del>	<del></del>		<del></del>				

No. * U.S. dollars per National Currency unit. *(0) Official rate. (C) Commercial rate. (F) Financial rate specified exports and imports. (2)—Sudan—Official rate for all transactions except specified exports and Time (3) Egypt—A different rate applies to certain transactions with non-IMF countries.

(4) Iceland—Introduced a new crown equivalent to 100 units of old currency on 1/1/87. -100 vatu=8.1875 French france since 1/1/81, Aust, dir, being phased out over next two yedre.

This ennouncement appears as a metter of record only.

December 1980

# **KLM** Royal Dutch Airlines U.S. \$60,500,000

A leveraged lease for one Boeing 747 aircraft

Managed by:

**Salomon Brothers** 

Algemene Bank **Nederland N.V.** 

**Security Pacific** International Leasing (Europe), inc.

Provided by, Equity:

Security Pacific Equipment Finance (Europe), Inc.

Algemene Bank Nederland N.V. (Agent)

Debt:

Rabobank Nederland

Bank Morgan Labouchere NV.

Midland Bank Limited

indust'is ... 147.55 147,95

ind. div. yield %

Long Goy, Bond Yield

Mar. Mar. Mar. Mar. High Low

74.5374.7375.0974.46 81.02 55.30 (28/11) 22/1/88

traded

Tradet
Tr

Ind. P/E Ratio

MONTREAL

Composite 129.95 120.46 151.72 129.88 129.85 120.88

12,87

Mar. 10

TORONTO Composite 2191.6 2190.1 2191.8 2190.1 2402.2 (28/11)

day + 3 - 1 + 15 + 14

price 12¹, 17², 45³, 16⁷,

148.86 147.82 147.42 148.56 180.96

12.75

583,96 363,58 364,24 363,82 425,80 (29/2/80) 346,58 645,67 846,21 645,89 578,96 (20/10)

**NEW YORK ACTIVE STOCKS** 

4.63 4.45

9.27 9.11

190,98 111,08 180,95 5,52 (29/11) (27/7) (28/11/80/60/8/82 149,52 89,22 140,52 4.40 (28/11) (15/2/88 \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \( \) \

Feb. 18 | Year ago (appro

5.14

7.95

12,32

Rises and Fail Mar. 11 Mar. 10 Mar

1980/81

Low

Chang

4.67

9.11

12,58

High

APAN

NORWAY Oslo SE (1/1/72)

SOUTH AFRICA Gold (1956) Industrial (1958)

SINGAPORE Straits Times (1989)

SPAIN Madrid SE (60/12/80)

Jacobson & P. (1/1/68)

Base values of all indice 500; NYSE All Common—50 last named based on 1976 industrials plus 40 Utilities

SWITZERLAND

HONG KONG Hang Seng Bank (51/7/64) 1347.48 1295.44(1571.42 1847.85 1654.57 (18/11) 788.9 (19/8)

112,89 115,88 112,08 (c)

289.7 282.7

118.01 119.96 121.00 122.08 144.70 (14/2/88) : 110.12 (28/5)

796.84 807.78 126.47 118.05 825.47 (10/5/81) 429.76 (5/1/80)

114,26 (17/2/81) 188,0 (58/12/80

TTALY Banca Comm. Ital (1972) 251.60 250.56 226.88 252.18

#### Mar. | Mar. Gt. Att. Pac. Tea 634 Gt. Basins Pet ... 1158 Gt. Nthn. Nekoosa Gt. West Financi. 1579 Greyhound 1714 Greyhound 2509 Guif & Western 1519 Schlitz Brew J. | 95g Schlumberger. | 1003g SCM | 2514 Scott Paper..... | 27 olumbia Gas..... 3814 Columbia Pict..... 4179 Combined Int...... 185s Combustri. Eng.... 411s Mess Petroleum 54 lg 85g 98 lg 53₄ 113₈ 4256 1514 1718 2434 1519 Combustr. Eng... Alexandria de la companya de la comp Modern Merchg. 6414 1048 1156 2214 7554 5012 5146 1578 3514 3012 5378 narch M/T..... Sears Roebuck... Cone Mills...... Conn Gen Inn..... Akzona ..... Albany Int. Simplicity Patt. | 812 | 1632 | 1632 | 1632 | 1534 | 3811th Intil. | 7236 | 5012 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 5014 | 501 Consumer Power, Cont Air Lines... Conti Corp..... Conti Group .... Conti Illinois... Conti Telep.... Controi Data.... 4914 Napco Industries 221z Nat. Can. 1618 1578 5734 7312 1956 2415 65 3578 8112 2614 3774 5558 1354 Alled Chemical. Alled Stores..... 46 46¼ 1378 14 261 3412 26 68% 225% 665% 6614 23918 33918 325% 325% 4812 4714 3414 344% 355% 355% 355% 914 916 457 4454 4778 4454 4778 4514 6812 70 2512 26 Amerada Hess 55 Amerada Hess 137s 15Am. Airines 137s TAm. Brands 295s Am. Gan. 281s | Sthn N. Eng. Tel. | 351g | Sthm Pacific. | 397g | Sth Railway. | 825g | Sth Railway. | 261g | Sw Bancshares. | 37 | Spetry Corp. | 543a | Spring Mills | 187a | Square D | 53 | Squibb | 225g | Standard Brands | 261g | Standard Brands | 261g | Holiday Inn.s..... Holly Sugar ...... Homestake Crane ...... Crocker Nat ..... Am. Can. Am. Cyanamid. Am. Elect. Pwr. Am. Express. Am. Gen. Insnca. Am. Hoist & Dk., Am. Home Prod. Am. Hosp. Suppy. Am. Medical Intl. Am. Mat. Resces. Am. Patfina. Am. Patfina. Dana Dart & Kraft.... Data Gen Dayton-Hudson ... St'd Brds Pant 271g Std O'il Giifornia 403g Std O'il Indiana 664g Std Oil Indiana 55g Stanley Wks 18g Stauffer Chem 245g Stevining Drug 235g Stevens (IP) 133g Stokley Van K 26g Sun Co 407g Sundstrand 481g Superior Oil 205g Super Val Strs 314g Syntex 527g TRW 591g Taft 28g Tampax 337g St'd Brds Pant.... 271g | Norfolk & Westd | 421g | 121g | 121 Am. Standard .... 154 114 34 314 Am. Stores...... Am. Tel & Tel ..... Amstar 24% Amstad Inds 45% Anchor Hockg 18% Anheuser-Bh 35 Alcata 31% 958 8278 2056 2256 5812 7414 5458 59 3656 6314 45 1334 Norton Simon.... Occidental Pet. Occidenta: 7 3334 Ogden 3334 Ogilvy & Mrth 2634 Ohio Edison 1218 Oin 2258 Omark 214 Onaok 3234 Archar Daniels . Armstrong CK. 1612 1658 Asamsra Oil. 15 15 Asarco 3914 3712 Ashland Oil 3893 3358 Assd D Goods 2658 2678 Atlantic Rich. 541a 544 Auto Data Prg. 5112 5014 Avco. 25 251a Avery Intil. 22 2258 Tandy 497e Teledyne 1891e Tektronix 553e Tanneco 455e Tesora Pet 161e Texaco 571e Texas Comm.Bk 371e Texas Comm.Bk 341e Texas Gas Tro. 34 Texas Instrmts. 1071e Texas Oil & Gas 565e Texas Utilities 161e Texas Utilities 511e Dow Jones 4578 Drasser 4578 Dr. Papper 14 1834 Duke Powar 6148 6614 Dun & Brad 6148 6614 Du Pont 4918 4912 36 3734 Inti. Flavours | 1914 | 1916 | Int.Harvester | 20 | 1978 | Int. Income Prop | 1014 | 1014 | 1014 | Int. Income Prop | 1014 | 1014 | 1014 | Int. Income Prop | 1014 | 1014 | 1015 | Int. Tel & Tel | 2958 | 2978 | 1078 | 2978 | 2978 | 1078 | 2978 | 2978 | 1078 | 2978 | 1078 | 2978 | 1078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 2078 | 207 | Texas | Texas | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 | 1034 3434 4634 44 2014 6134 4634 6636 203g 27 317g 265g 3514 305g 194g 471g 53 19 847g 1614 945g 1114 59 205g Pac. Tel. & Tel.... Palm Beach..... Pah Am Air...... Pan. Hand Pipe... Parker Drilling... Parker Hanfn.... Peabody Intl.... Bank America ... Bank of N.Y..... Bankers Tst. N.Y Barry Wright.... Bausch & Lomb 3118 8 2678 Baut Trav Lab... Beatrice Foods... Beckman instr... Beker Inds...... Bell & Howell.... Tipperary ...... 15 2436 1114 5834 2076 Triton Oil Gas ... 245, 20th Cent. Fox ... 625, Tyler ... 251s UAL ... 253, UMC Inds ... 105s UNC Resources ... 1212 Union Camp ... 557s Union Carbide ... 585s UnionCommerce ... 91s BP. 34:48 Brockway Glass. 16!4 Brown Forman B. 57!2 Brown & Sharp. 28!2 Browng-Ferris ... 29!8 Brunswick ...... 1478 321a 28 30 151a Leaseway Trans. | 32le Pub. S. Indiana...| 19 PureX ...... Purolator ..... 151s 156s 6014 6014 5214 531s 1914 194 3734 374s 4 41s 24 23 103s 103s 1914 191s 245c 245s 217s 313s 323s 321s 1938 4212 3278 3314 718 88 1218 834 9314 9314 15612 1st Chicago....... 151₂ 1st City Bank Tex; 601₄ 1st Ini Banc....... 521₄ 1st Mississippi 191₄ 1st Nat. Boston... 371₄ 22 2058 5234 3612 5014 53 5678 6214 4614 5012 Can Packers .... Can Perm Mtg Can Trusco. .... Can Imp Bank. Cdn Inds ..... CBI Inds.... CBS......CPG Intl..... Flexi-Van Florida Pwr & L Ford Motor Foremost Mck... Cdn Inds..... Cdn Pacific.... Can P. Ent..... Cdn Tire..... 2159 5212 2754 6514 2718 1258 3858 Campbell Tagg ... 245g Canzi Randolph. 2612 Can. Pacific ...... 3612 Carlisle Corp...... 264 Carnation ...... 27 CarpTech ....... 44 2414 2634 3612 8714 2712 44 Republic Steel... Rep of Texas.... Resch Cottrell... Resort Int A..... Revoc (DS)..... Revere Copper... Revion... 493 422 3384 56 1714 333 464 6334 1653 1458 245 275 Mfcrs Hanover... Mapco..... Marathon Oi!... Revion. Reznord Reynolds (RJ). Reynolds Mtls.. Rich Merrell. Rite Ald Rosdway Exps.. Robins (AH).. Rochester Gas.. Rockwell intl.. Rohm & Haas.. Rollins.. Wal-Mart Storea. Warnaco Warnar Comms.. Warner Lambt.. Washington Post Waste Mangt... Wels Mits... Wels Fargo... W. Point Peppi... Western Airlines. Western Bancorp. Westen. Nth. Amr. Westynghouse ... Westyace .... Weyerhaeuser... Marine Mid.... Dom bridge.... Dom Foundries Dom Stores... Falcon Nickel.. Genstar... Falcon Nickel.. Genstar.. Gulf Canada.. Gulfstream Ret Hawk Sid. Can Hollinger Argus Gen Am Invest... Gen Cinema... Gen Cinema... Gen Fectric... Gen Fodds... Gen instrument. Gen Mills... Gen Mills... Gen Portland... Gen Pub Utilities Gen Signal... Gen Telep Elec... Gen Tre... Genesco.... 131₂ 251₈ 141₄ 301₈ 251₈ 9 133₄ 467₈ 501₄ 521₈ 193₄ 441₂ 144 254 1418 3212 218 25 938 1354 46 5058 3258 1954 44 Certain-teed ..... Cessna Aircraft... Champ HomeBid Champ Int..... Roper Corp* Rowan Royal Crown Royal Dutch Royal Dutch Royal Dutch Royal Styr Ryan Homes Rydar System SFN Companies SPS Technol gles Safeco 105g 161g 1254 42 261g 147g 251g 251g 315g 355g 405g 405g 405g 495g 543g 543g 2612 McCulloch Oil McDermott (JR). McDennott (JR). McDennott (JR). McDennell Doug. McDennell Doug. McDennell Doug. McDennell Doug. McDennell Doug. McDennell Doug. McGraw-Hill 5414 2612 2316 2614 3714 1412 3614 2814 2116 2444 1164 1814 2914 1674 Wheeling Pitts ... Whirlpool ....... White Consoltd. White Motor..... 3014 29 5514 2678 6859 2834 5234 2679 5078 3512 Whittaker Wickes Williams Co. Winn-Dixie Str. Winnebago Wisc Elec Power Woolworth Wrigley Wrigley Xerox Yellow Frt Sys. Zepats Zenith Rad. Citticorp. Citticorp. Citticorp. City Investg. Clark Equipment. Cleve Cliffs Iron. Clorox. Clorox. Coca Cols. Coca Btl. N Y. Colgate Palm. Coli Ins Aikman. Colli Ins Aikman. 31 243₄ 315₈ 363₈ 361₄ 455₈ 401₂ 381₄ 855₈ 954₄ 55₉ 361₈ Georgia Pac... Geosource ..... Gerber Prod... 2814 4812 25714 3714 11158 111 3618 912 1534 913 5114 SPS Technolgies Safeco... Safeway Stores... St. Joe Minis... St. Paul Cos... St. Regis Paper... Sante Fe Inds... Sante Fenti... Sauti Invest... Saxon Inds... Schering Plough Indices Nthr. Telecom. Oakwood Pet... -DOW JONES **NEW YORK** 1980/81 |Since Cmpil't' Mar. 10 Mar. 9 Mar. Mar. Mar. 6 High Low High | Low AUSTRALIA industr'| 5 957,67 972,66 978,42 984,62 984,62 971,44 1084,69 'me B'nds 62,12 61,96 52,55 62,12 62,13 62,14 76,81 1051,70 41,22 (11/1/76) (2/7/82) AUSTRIA Credit Aktien (2/1/62) 69.40 (7/1/80) (28/11/88) (8/7/62) 165_62 , 10_5 (20/4/88) (28/4/42 . 107.67 188.08 108.61 | 108.11 109.15 108.57 | 82.85 82.91 105.76 (11/2/80) 82.24 (11/5/81) Trading Vol. 000°s; 47,598 56,618 48,188 45,840 45,588 47,268 +Day's high 978.30 low 959.11 Mar. 6 | Feb. 27 | Feb. 20 | Year ago (approx ind. div. yield 🖫 5.74 6,66 6,87 GERMANY FAZ-Aktien (61/12/56) 220.88: 220.82 Commerzbank(Dec. 1955 878.0 | 873.5 STANDARD AND POORS Vestcoast Trans Veston (Geo)..... Mar. 10 High Low High Low

# Early Wall St. rise of 7.2

BOOSTED BY hopes of a further the Toronto Composite Index 15.8 months, retreated yesterday HK\$20.06, regained 80 cents of the Composite Index 15.8 months, retreated yesterday HK\$20.06, regained 80 cents of the Composite Index 15.8 months, retreated yesterday HK\$20.06, regained 80 cents of the U.S., that it had agreed to yesterday morning in another golds 29.5 to 3.877.6 and Oil and the U.S., that it had agreed to Germany active trade. Take-over speculation also sourced on several active trade. Take-over specu-lation also spurred on several

issues. The Dow Jones Industrial Average moved ahead 7:20 to 974.87 at 1 pm, while the NYSE All Common Index climbed 68 cents to \$75.21 and advances led declines by a two-to-one margin.
Trading volume amounted to
33.46m shares, against the previous day's 1 pm level of 32.31m. A few major banks cut their broker loan rates on Wednesday and yesterday, raising hopes that the Prime Rate will ease further. Earlier this week, the Prime declined to 18 per cent

from 181. The resurgence of take-over speculation, mainly in Natural Resource companies, results from acquisition proposals for Amax and St. Joe Minerals in recent days.

Blue Chips were firmer after running into profit-taking for several days. Geneal Motors put on i to \$51, Dn Pont i to \$49], IBM i to \$62]. General Electric to \$66], Eastman Kodak i to \$79] and International Paper i to \$47].

International Telephone, which reported sharply higher fourth-quarter profits, added { at \$29}. British Petroleum rose 2! to \$36½ and Shell Transport 22 to \$37. BP and Royal Dutch/Shell both reported higher year net earnings. Royal Dutch had yet to trade.

St. Joe Minerals gained i to S461. Directors rejected the S45 a share take-over bid from Seagram, announced on Wednesday. THE AMERICAN SE Market Value Index rose 3.03 to 339.42 at 1 pm. Volume 3.27m shares (2.76m).

#### Canada Markets moved broadly higher

in active early dealings, raising

Closing prices for North America were not available for this edition. BELGIUM (continued)

CANADA

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1,160 5,000 1,324 900 1,65 1,665 1,660 1,970 980 1,330 2,830 1,230 1,230 4,910 4,890

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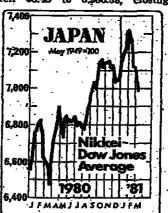
2.440 246 4,000 504 263 675 367 7,036 1,726 3,868 2,500 6,250

+25 +1 +25 +11

-2 -2 +50 +5 +20

Tokyo The recent market downtrend became widely based yesterday with recently buoyant light Electricals joining in the Electricals joining in retreat. However, tra retreat. trading remained thin, with a volume of 200m shares, matching Wednesday's figure.

The Nikkei-Dow Jones Average fell 58.48 to 6.986.39, closing



below the 7,000 mark for the first time since last September. The Tokyo SE index receded 2.92 to 504.00, while falls outnumbered rises on the First Market section by 468 to 173.

Despite an expected cut soon investors were discouraged by anticipated poor business results many corporations and the high level of bankruptcies in Hang Seng index, after closing February. The Nikkei-Dow 76 points down the previous day, Average reached a record rallied 52.04 to 1,347.48. There 7,322.06 on February 2 this year on increased foreign buying but a steep fall since in speculative stocks has demonded. lative stocks has dampened market sentiment.

Chartist selling propmpted by

HOLLAND

Duy small computers from a Japanese company, Matsushita Communication lost V150 to Y2,150, Matsushita Electric Y15 to Y899, Kyushu Matsushita Electric Y50 to Y1,170, Matsushita Electric Y50 to Y1,170, Matsushita Electric Y6 to Y2,150, Sony Y70 to Y3,650. Milisubishi Electric Y6 to Y211, Pioneer Electric Y70 to Y3,080. Pioneer Electric Y70 to Y3,080, Victor Y60 to Y2,790 and TDK

Electronic Y50 to Y3,960.

Elsewhere, Tanabe Pharmaceutical dipped Y16 to Y775,
Nipper Read Construction Y20 to Y990, Nissan Motor Y10 to Y716 and Fuji Photo Y20 to Y1120. Y1.120.

Some stock market analysts had already predicted that the market would fall in the March/ April period due to the current slow business performance of many industries. However, analysis were also of the opinion that the market Average could shoot up to around the 8,000 mark by autumn. supported by foreign investment, narticularly by European and U.S. pension funds and oil exporting countries.

#### Hong Kong

Reflecting hopes that local Prime Rate will be cut by one point to 16 per cent today, the market picked up sharply yester-day over a broad front on shortcovering and bargain hunting.
A good deal of Wednesday's in Official Discount Rate, many heavy setback, which was investors were discouraged by caused by news of Hongkong anticipated poor business results and Shanghai Banking's HK\$2bn rights offer, was recouped. The Hang Seng index, after closing

The expectation of a Prime reduction came after Irving Trust, of the U.S., cut its the recent market Average broker loan rate to 161 from 17. Gold shares produced little decline also contributed to the general weakness.

The recent market Average broker loan rate to 161 from 17. Gold shares produced little per cent. providing more movement throughout the day, evidence that U.S. interest rates, with trailing hesitant due to in-

**AUSTRALIA** 

Bourse prices made another mixed showing, with scattered foreign participation noted for both one buying and selling the Chemicals were firmer, with Bayer adding DM 1.20. Houses, gained 80 premiers to DM 118.79 after amouncing just slightly lower 1980 net profits and a maintained DM 7 dividend In Electricals, Brown Bover, jumped DM 9.90 to DM 250.56 but Machine Manufacturer CHR after declaring an unchanged dividend, ended DM 1.30 down at

DM 177.70. Australia

The recent firming tendency was replaced by a mixed to easier performance yesterday in slack trading. Gold Mining issues mainly receded in the wake of the downturn in Bullion prices, dampening general market sentiment. The Asstralian All Ordinaries Index up. 20 points since the start of the week slipped back 4.9 to 662.4. In the Golds sector, Poseidon shed 15 cents to A\$4.55 and GMR 30 cents to A\$6.40, although Central Norseman were steady

at A\$7.50. Elsewhere, Western Mining declined 11 cents to A\$4.75.
MIM 10 cents to A\$4.65. Hip
40 cents to A\$13.40 and Bridge Oil 12 cents to A\$6.48. A feature was an A\$2.50 fall to A\$4.80 by Meckathara Muerals following its religing

after voluntary suspension on February 10 Switzerland

Mostly higher, after moderate trading on hopes that interest rates will stabilise after their recent quieter tone on the foreign currency market attracted some foreign buying in quality stocks again Johannesburg ·

Light Electricals, which have are continuing to decline. certainty over the led the market advance in recent

HK and Shanghai Banking, at the Bullion price. certainty over the direction of | JAPAN (continued)

-1 +50 +1

lią lig	VANADA		ice + or	Mar. 18	Price + o	Mar. 12	Price +	or Mar. 12	Price	<del></del> or	
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# Magnet lock secures hotel doors

TALREADY APPROVED in the and a magnetic code format years of experiments at lower 12 U.S. in a number of hotels and card. ; now available in the UK is the now available in the UK is the Thus hotel room security can to full performance, perhaps be greatly increased because at around 1987-88. which uses a magnetic-û-mechanical arrangement and can, in effect, be changed—but without the expense of actually

The design of this system, which uses no electrical supplies, wiring or computers followed when the system of the o followed when Bruce Sedley and Eric Hallam left Cardkey E to form Corkey with the aim of offering a room access system that needed no electronics or wiring back to a front office but "nevertheless offered a high plevel of security and flexibility in terms of code allocation and

The lock, which can be fitted n to many proprietary designs of without specialised equipment, source of electric power, fuelled "key-in-the-knob" units, is The keys themselves are long by small quantities of light magnetically coded for lasting and can be magnetically atoms such as deuterium and magnetically coded for lasting and can be magnetically mechanical unlatching so that construction of a suitably encoded small plate, replacing hotel for good with the key in the normal key, will open the "tool into holes in the door knob

or few seconds with any of up to doing so. The change can be uc4 billion codes.

In addition, mastering and tus. These are expected to sub-mastering of key sets is amount to another £70m over simplified because the codes are the five-year period 1982-86. The sectionalised—there is a JET Council itself is still separate section for maid entry wrestling with the problem of for example, and this can be how to present its case to the changed without modifying the EEC Commission in Brussels.

There are a number of other the control of thermonuclear important advantages. For fosion reaction. If successful, example, if a key is found it it could be a world-beating step is very difficult to duplicate towards a virtually inexhaustible

his pocket it is a simple matter year construction phase to com-to re-code the lock and provide plete the first stage of its

# Jet calls for a bigger magnetic bottle

BY DAVID FISHLOCK, SCIENCE EDITOR



THE JET project at Culbam.

one of the most ambitious ven-

tures in advanced technology in

Britain, this month begins a

campaign seeking EEC approval for a big increase in the cam-

power before JET was uprated

The extra capital expenditure

These are expected to

required is about £70m, on top

Expenditure

lithium.

Dr. "Bas" Pease, soon to become the UK AEA's programme director for fusion, with DITE, one of Culham's experiments.

which are being designed and convertors made in factories throughout JET is an EEC experiment in

expected to draw up to 250 MW from the positions from the national grid, to energise the big magnets surrounding the torus, the doughoutby small quantities of light shaped reaction vessel in which atoms such as deuterium and the experiments will proceed (see sketch). The powerful field The project, faunched in acts as a magnetic bottle,"
1978, is half-way through a five-keeping the intensely hot, writhing blob of gas inside the torus from touching its walls.

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MISS V MELLESLIY

toroidal and poloidal magnet coils round the torus. These generators are low-speed, vertical-shaft machines designed specifically to provide the high-energy pulses of power JET

The generators are 11 metres in diameter and weigh 1.678 25 MW tonnes. They are designed to deliver up to 2,600-megajoule pulses of energy at rates of up to six pulses an hour. They will sit in pits 24 metres in dia-

the demand. Peak power for the toroidal field coils would be increased from 250 to 380 MW. Magnetic field strength at the highest point would be increased from 27.7 to 34.5 kilogauss. Additional power to beat the plasma—the hot gas—

The tricky aspect of the uprating, however, concerns tritium, a radio-active isotope of hydrogen, with which the project will want to fuel JET in door. Re-coding of a lock into re-code the lock and provide design. By the end of this year fool into holes in the door knob

"tool into holes in the door knob

"Teplacement while key re"Teplacement while key re"Coding is carried out with an easily used magnetic "gun"

"Teplacement while key re"Teplacement while first stage of its from touching its wails.

Sit in pris 24 metres in diameter and 5 metres deep.

The foot will want to fuel JET

would be increased from 10 to

world to reach ignition and thus demonstrate for the first time controlled thermonuclear fusion of light elements. Its main rival for this honour is Princeton University's TFTR (tokamak fusion test reactor), construction of which is nelieved at Culham to be about 6 months ahead of JET.

The radio-activity and the mobility of tritium raise major problems for JET's designers. Britain's nuclear inspectors have to be assured that the gas cannot leak, particularly as tritlated water. Also once the apparatus itself becomes radioactive the scientists themselves will be hampered by the need to use remote-handling tech-niquest for any modifications and repairs.

#### Timetable

The £70m required to bring JET to full design performance includes not only the cost of bigger power supplies but of equipping JET to use tritium. It will not alter the timetable for will not alter the timetable for electricity to the national grid initial operation, however. "Our in the next 50 years, so difficult first aim is to get this machine are the technical problems still on the road in mid-1983." on the road in mid-1983," says one JET executive. Early approval of the extra cash could bring JET to full performance as early as mid-1985. But it could still be 1987 before JET is ready to attempt experiments using tritium

shortly to take over at the Culham Laboratory as the UK Atomic Energy Authority's new director, has already been responsible for some environmental studies of the tritium review of fast problem. "Technically, it is a Dr. Marshall.



difficult problem," he says. The quantities JET will require are small—just a few grammes—"but it's a lot of curies."

But still more difficult, as Dr Lomer sees it, is the political problem of raising the money to enhance JET's performance at a time when Europe is in recession. Britain, for example, is already spending about £18m a year on research into controlled thermonuclear fusion—£13m at the Culham Laboratory, and £5m towards construction of the adjoining JET project.

Yet the view of the Department of Energy is that controlled thermonuclear fusion will contribute no significant amount of

Dr. Walter Marshall, chairman of the UK AEA, last week announced major management changes, partly to bring fusion and fission research closer together in Britain. When Dr. Lomer takes up his new appoint-Dr. Mick Lomer of Harwell, ment at Culham, Dr. R. S. ("Bas") nortly to take over at the Pease, the present director, will become programme director of fusion, still based at Culham. But Dr. Pease's first big task will be to undertake a lengthy review of fast reactor safety for

#### **NEWS IN BRIEF**

#### PERIPHERALS

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2.

A comme

LATEST PRINTER from General Electric Company of the U.S. is the TermiNet 200, machine that will print two forms independently at the same time.

Able to work at nine speeds

between 110 and 9600 baud and a maximum print speed of 200 characters per second, the machine has independently operating tractors on each side the split platen. The lefthand section can accommodate forms ranging from two to 81 ins wide, the right up to 4½ ins. concept just introduced by Print density can be from 10 to Simon Food Engineers, Stockcharacters/sec (four port (061 428 3600).

wherever related documents are ties of ingredients. A low profile sensibly printed together—for weigh beam pneumatic load cell example, bills of lading and system is able to "back off" the warehouse picking sheets. More on 01-402 4100.

#### TOOLMAKING

of tools for turret presses is a system of levers transmits the coming into effect at the load to a sensing beam where Kingston-upon-Thames works of increases in weight from 5kg to High Speed Service Tool Com-pany (01-546 2414) after a re-scale has ranges of 0 to 100kg view of alternative production techniques and an investment of more than £130,000.

Recognising that any valid progress had to take account of the micro-chip in production engineering, the company decided that the main requirements were improved accuracy and repeatability, reduced lead times, and the better utilisation of skilled labour. HSST engineers say they have developed a special computer program which allows a complete numericallycontrolled part-program to be written in a matter of minutes.

#### WEIGHING

DESIGNED FOR electronic weighing duties is the generalpurpose System 2 digital display and control introduced by Weightech, Denton Road, Newhaven, East Sussex (07912

It can be supplied for an ori-ginal equipment manufacturer's use or as part of Weightech's own electronic-based scales and instruments. Two versions are available, one in a tough plastics bench-standing case and the other in a stainless steel cabinet

for wall mounting.

All controls and displays are
on a single dust-proof touch panel and all touch pads have panel and all touch panel. £152 and can also be activated an audible signal. The bench-from parallel eight bit binary top version can be supplied with from parallel eight bit binary code or from ASCII signals.

puts from both units can drive remote printers or slave dis-plays. With a built-in Zilog Z80 microprocessor, the unit can operate with one, two, three or four load-cells (used to convert mechanical force into electrical impulses).

#### PROCESSING

EXISTING OR new mixers in the food industry can be converted into an integral weighing system, to handle both solids and liquids, using the Weighmix

The design is such that the The unit should prove useful mixer will receive exact quantiweight of the mixer, which may be several tons, while accurately registering the addition of both large and small amounts of ingredients in the recipe.

WHAT IS claimed to be a new approach to the manufacture floor level on weigh beams and and 0 to 800kg to cope with large and small amounts and on completion of the full mixing cycle total added

#### SPEECH-MAKING

USING LARGE scale integrated circuits of its own design and made for it in the U.S., a small company called Triangle Digital Services (01-520 0442) has developed a speech synthesiser module which can work from a variety of input arrangements.

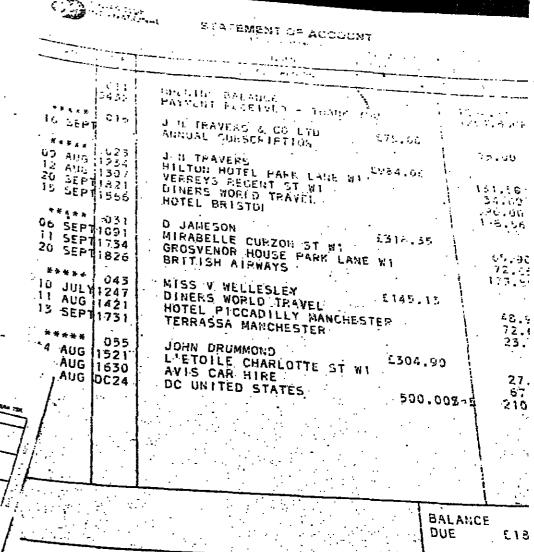
According to managing direc-tor Peter Rush, the constraints on vocabulary choice and input activation technique often present in the offerings from the semiconductor absent in his device.

He points out that "there is no question of flying tapes to the U.S.; people can come to our lab to do the programming job straight away." One method of activation can

be a set of 16 switches. These could, for example, be microswitches used in the limit mode at the end of a lathe movement, giving rise to the utterance "limit reached." Such a system could also speak the appropriate dimensions.
This unit, known as the

TDS910 has a one-off price of

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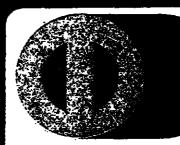
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# Small U.S. airlines buck the loss-making trend

By Ian Hargreaves in New York

FOR THE large airlines of the Frontier in Denver, and Ozark much more than 40 at many U.S., last year was the worst in St. Louis, had been restricted trunks.

on record. Shaken by a near to short hops, from which they Southwest has the added brief but sharp recession, the haul services of the big carriers. industry lost over \$200m as That however, is only part industry lost over \$200m as That, however, is only part domestic traffic fell by 5.4 per of the picture. In the opinion of

a drop in demand to take the blame, these airlines managed scheduled operations, or \$2.1bn if you count their interest

doing so has lodged itself high smaller U.S. carriers has become Lished names. —with a couple of exceptions—

margins in absolute terms came from airlines whose names were not even known on Wall Street three years ago and, of the top ten, only three (Delta, Eastern TWA) belong to the fraternity of large carriers with international reputations.

This see-saw would not have swung against the trunk carriers, ten of which still fly 85 per cent of the industry's total domestic passenger miles, but for the Airline Reregulation

Act of 1978. year timetable to phase out most of the regulatory system which governs the airlines, from fare setting to routes and mergers. lines, the showpiece Texas air-. But as the clamps have come line which came from nowhere off, it has become obvious that to become a leading profit the initial freedom of the large maker within a decade, all these carriers to abandon short, loss-characteristics are evident. It making routes has been more flies only 737-200S, so that it than outweighed by the freedom of smaller carriers to challenge the trunks on longer routes.

doubling of fuel prices and a fed passengers on to the longer

annual decline in the industry's and notably in the opinion of 1970s. The 24 states Frontier history.

For the big international For the big international are running the upcoming aircarriers which belong to the lines, most of whom are International Air Transport renegades from the corporate Association (IATA), the situa- suites of the trunks, have diswhich has made the bigger car-

"The trunks are wallowing in management by committee, But one group of air carriers says Mr. Michael Derchin, airhas bucked this trend and in line analyst at Oppenheimer, doing so has lodged itself high whose own list of recommended in the esteem of Wall Street, stocks includes five of the small where for many industry companies and only two, Delta analysts, the new generation of and TWA, among the estab-

The small carriers have other the only group worth investing advantages. Most are not yet organised by unions, which gives them more flexibility and en-The table tells part of the them more flexibility and en-story. The four largest profit ables them to get more hours last two years, suffered two long from their staff for less pay, although the crucial issue in lowering the wages bill is the absence of senior personnel.

They also have the right aeroplanes for 1981, mainly McDonnell Douglas DC9s or Boeing 737 Series 200—twinengine aircraft which have by many of their competitors.

This combination of management inventiveness in marketing and operations has produced a cost structure which is typically between 40 and 50 per cent lower than the trunks.

In the case of Southwest Airhas only one aircraft type to maintain and service. It gets 77 cockpit hours per month out

advantage of being in the right place. Texas is a boom state. Likewise, Frontier Airlines serves 26 states whose popula-

So, 1980 has gone down as the annus mirabilis of the new carriers. But there are dangers tion was no better. Without even played an entrepreneurial in assuming either that the a drop in demand to take the nimbleness in the face of change trunks are out for the count or that the new carriers are to:lose \$1.2bn on international riers look clumsy by com- flying so high that there will be no turbulence.

For a start, neither group is homogeneous. The trunks group includes carriers, notably Delta and Northwest, whose debt levels have been kept in healthy check and at least in Delta's case profits sustained. It also includes several airlines with modern fleets.

Likewise the group of smaller carriers contains a wide mixture of types. Ozark, for example, has lost money for the strikes and is based in the economically uncertain Midwest. It also has to be recognised

that in many respects the troubled economy of 1980 suited the smaller carriers: it provided them with a large labour pool, reduced pressure at congested airports and cut the price of better fuel performance than some second-hand aircraft, the three engine aircraft flown although not of the twin-jet

The smaller airlines, also, are

not without their own competitwo groups rather than between like of its pilots, compared with not ex-Texas Air executive, is about sustained their issue values).

#### AIRLINES IN THE BLACK

Southwest—1980 operating profit \$56.1m; operating margin 26.3 per cent. Based in Texas with lowest cost structure in industry, U.S. Air-\$91.4m; 9.4 per cent. Formerly Allegheny Airlines, has expanded into longer domestic hauls serving Midwest and north

Frontier—\$36.4m; 7.8 per cent. Based Denver, has well established commuter services, now expanding to longer nationwide routes and Mexico.

Piedmont—\$28.6m; 7 per cent. Eastern U.S. carrier, Expanding to longer hauls.

Delta-\$164.2m; 5, per cent. Most profitable trunk carrier, expanding rapidly in south east U.S. from Atlanta Base.

PSA-\$12.1m; 3.3 per cent. San Diego-based carrier and pioneer low-cost regional airline, suffered long strike recently but settled on favourable terms

Texas Air—\$6.5m; 2.2 per cent. 15-year-old airline noted for aggressive takeover moves; recently spun off New York Air sister company; is being sued by pilots union to apply contract terms of parent company to union-free NY Air. Also trying to take over

Eastern-\$1.9m; 0.1 per cent. Florida-based carrier, has indulged in some aggressive pricing recently. Considered a bright marketer. Air Florida \$4.5m; 4.0 per cent. Florida regional carrier now offering cut price Florida service to Europe and throughout the

#### AIRLINES IN THE RED

Ozark—Operating loss \$1m; negative operating margin. St. Louis-based, has suffered two long strikes but now edging back towards profits. Aims to use excess capacity to improve margins.

TWA-\$18.4m loss; 0.5 per cent. Part of Transworld Corporation, had much improved performance in last year and should get better as fleet is modernised.

United-\$65.6m loss; negative. Largest domestic carrier.

Northwest-\$24.1m loss; negative. Minneapolis-based, has low debt for a major carrier but has struggled with new international

American—\$111.1m loss; negative. Second largest carrier, has cut staff sharply and speeded fleet modernisation.

Midway-\$3.9m loss (nine months); negative. Chicago airline based on Midway airport. Start up costs caused loss.

tive problems, indeed it is tion, the crucial tests are how The Civil Aeronautics Board's arguable that most of the true to hold down costs, even as the view on that is that the trunks competition that takes place newer carriers become the tarwithin the industry is within the gets of determined union organisers, and how to build up them. Texas International has the financial muscle to survive business been driven out of some of its pricing doglights on important home state routes by the lower routes. This is why Wall Street's ever, is that where competition cost Southwest, which in turn good opinion is so important,

to challenge Texas's fledgling
offsheet New York Air on the
average ticket price increase of
26 per cent last year, the conview on that is that the trunks could have improved their finances last year by pricing more aggressively to build up

What is beyond doubt, how is strongest, as in Texas, fares faces competition later this and several of the small carriers are cheaper. It costs between 10 year from Muse Airlines, have recently raised funds and 15 cents per mile to travel formed by a former Southwest either through long-term debt a typical minor-city-to-minor-city executive. People Express, a or equity issues (although not route in Texas, compared with brand-new carrier formed by an all of these equity issues have more than 36 cents per mile in

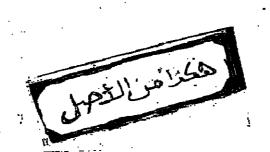
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PRELIMINARY PROFIT ANNOUNCEMENT AND NOTICE OF FINAL DIVIDEND

Subject to final audit, the following are the preliminary results of the corporation and its subsidiaries for the year ended December 31, 1980. These results should be read in conjunction with the notes below:

Turnover	R090 971 185	R000 736 364
Profit before taxation	197 532 58 327	150 043 50 736
Profit after taxation	139 205	99 307
Less: Outside shareholders' interest in profits of subsidiary companies	22 942	13 777
Profit attributable to shareholders before share of retained profits of associated companies	TIO 200	85 530 14 542
Profit attributable to shareholders	151 452	100 072
Capital commitments	111 581	107 446
Number of shares in issue	26 970 047	26 964 547
excluding share of retained profits of associated companies—cents	431.1	317.2
-including share of retained profits of associated companies cents  Dividends per share—cents		371.1 105.0
•		

(1) In respect of the 1930 financial year Amic has adopted the equity method of accounting for investments in associated companies. For this purpose an associated company is one in which the group owns between 20 per cent and 50 per cent of the equity capital. For comparative purposes the 1979 figures have been restated accordingly.

(2) The results of certain foreign subsidiaries have not been consolidated in the respective group results of two wholly-owned subsidiaries of the corporation. (3) On January 29, 1931, 2 500 ordinary shares were issued in terms of the share incentive scheme, which shares will qualify for dividend No. 34.

It is anticipated that the annual report will be posted to all registered shareholders on or

#### DIVIDEND No. 34

A final dividend of 97.5 cents per share (1979: 72.5 cents), for the year ended December 31, 1980, has been declared payable to shareholders registered in the books of the corporation at the close of business on April 3, 1981.

This dividend, together with the interim dividend of 42.5 cents per share, declared on August 28, 1980, makes a total of 140.0 cents per share for the year (1979: 105 cents).

The share transfer registers and registers of members will be closed from April 4 to April 16, 1981, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about April 30, 1981. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent at the rate ruling on April 21, 1981, of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency provided that the request is received at the offices of the corporation's transfer secretaries in Johannesburg or the United Kingdom on or before

The dividend is payable subject to conditions which can be inspected at the head and London offices of the corporation and also at the offices of the corporation's transfer secretaries, Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg 2001 and Charter Consolidated Limited, Charter House, Park Street, Ashford, Kent TN24 SEQ.

The effective rate of non-resident shareholders' tax is 15 per cent. By order of the Board ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

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PUBLIC NOTICE

# East Midands

A region of relative prosperity

By Anthony Moreton Regional Affairs Editor

TWO YEARS ago, Mr. Edward Heath, the former Prime Min-ister, said that Leicester was "Britain's most successful city," Politicians always like to please their audiences and no doubt Mr. Heath was conscious that this was just what his listeners wanted to hear.

Perhaps a pedant could point areas where economic activity was even stronger Bristol? Aberdeen?-but, if so, Mr. Heath was not far from the truth. Indeed, he might have gone even further. He could bave said that the East Midlands, of which Leicestertogether with Nottingham and Derby-are the lynch pins, is the most prosperous region in

Certainly, gross domestic product has been rising faster in the five counties of Nottinghamshire, Lincolnshire, Derbyshire, Leicestershire and Northamptonshire than elsewhere. And unemployment, despite a sharp rise in the past 12 months, has managed to remain below the. national average.

The East Midlands managed to hold out against the recession rather longer than elsewhere in Britain and this time last year activity was still relatively high. Unemployment in Market Harborough in January, 1980, for instance, was a mere 2.2 per cent and in Loughborough, a population growth and good centre for high-technology in communications. dustries associated with the university, it was 3.5 per cent. In this prosperity is that while the UK change has been even there are big companies—Boots, had a jobless rate of 4.2 per Plessey, John Player, TI-Raleigh Furthermore, the future of cent and Derbyshire 44 per cent, in Nottingham; Nabisco in Such prosperity has ended. Leicester; Rolls-Royce, BR The recession has now hit the Engineering, British Celanese East Midlands, as it has the rest in Derby; and British Timkin in of Britain. The watershed came Northampton - they do not between April and May and one dominate the economy and, characteristic was that orders therefore, when they fall on appeared to disappear overnight. hard times they do not unduly The slump in the region was, if inflate the jobless figures. anything, more dramatic in its appearance than elsewhere in panies have managed to main-

Harborough has quadrupled to competitors.

18.2 per cent, Leicestershire has There have, of course, been aids have been welcomed by the months where, before Christ-almost doubled to 18.8 per cent, structural changes in the energetic new team appointed mas, they could see no further 18.2 per cent, Leicestershire has and Kettering from 4 per cent to economy, particularly since the 11.6 per cent. The region as a mid-fifties. The heavy emphasis whole now has over 144,000 on hosiery, knitwear, footwear, people out of work and an coal and leather products has

to be seen in context Despite of the country. As these have the downturn in the local slipped in importance newer economy, it remains one of the industries, such as chemicals, least badly hit parts of Britain Everything is relative, but in these difficult times the East Midlands are doing relatively the engineering and electrical well-or perhaps it should be sectors together with profes-

unemployment rate of just over diminished even though these per cent.

These figures, however, have the East Midlands as in the rest electronic engineering, vehicles, have been growing strongly. In Leicestershire, for instance.

following the end of new-town status seeking to bring in investment. A long haul faces them to put the town back on its feet.

Other black spots are on the coast at Mablethorpe and Skeg-ness, traditional British holiday centres which are feeling a particularly nasty draught. Gainsborough and Boston. Hinckley has problems but ironically these stem largely from the difficulties facing the motor indus-

remains one of the least-badly affected parts of Britain. The reason for such relative prosperity is found in the broad economic base of the region's five counties.

said that they are not doing as badly as elsewhere. The reason for such relative prosperity lies in the broad base to the economy. The five

counties have a wide spread of industry—from bicycles to pharmaceuticals—and it includes a good content of hightextiles 12.6 per cent. technology concerns. There is considerable emphasis on the medium-sized company, a strong agricultural base, together with associated processing and equipment firms, above average One of the important factors

And the medium-sized comtain good labour relations and This can be seen from the invest in sufficient amounts to unemployment figures. Market be able to keep up with their

sional and scientific services, which are often associated, accounted for almost a quarter of the county's employment at the last census in 1976. industries, such as

Despite the downturn of the economy of East Midlands, the area

In both agriculture and mining there have been considerable changes in employment. The numbers employed in these two sectors balved between 1953 and 1978 but, interestingly, the East Midlands are now more important in these fields, nationally, because

both is now good; coal looks to have an assured future and the farmland is some of the best in Britain.

Such good news is welcome because over the past 10 months a number of black spots have

And at the top emerged in the economy. The worst is Corby where, with the ending of steelmaking, unemployment is up to 22 per cent. The Government has acted by making the town a special

try in the West Midlands; many of its inhabitants travel to Coventry to work and have been hit by closures and short-time

Lincoln, with its emphasis on clothing and footwear, were heavy engineering, is having to down to a mere 4.6 per cent and cope with a lot of short-time working and Melton Mowbray, famous for pies and pet foods, it not doing too well in either sector.

Among the various sectors, textiles is, of course, the area which has had to face the greatest difficulties though, surprisingly, there are some indications here of an upturn. A lot of businesses have gone out of business which indicates that the industry is suffering a structural change, as well_as an economic depression. But where companies have gone upmarket or looked abroad for orders, there has been

And at the top end of the knitwear trades there has been a slight lift in demand. Fears that goods made for stock would be left—always a worry in a highly fashion-conscious industry-have been dispelled and development area and awarding many companies now have it an enterprise zone. These order books stretching three

ahead than three weeks. A very small straw, perhaps, but these days almost any indication is worth noting.

Other sectors facing particular difficulties include mining suppliers (roof supports, machinery), car components machinery) and especially bicycles, where the home trade has seriously declined. There seems to be little hope of an upturn for a while in ferrous foundries. where most factories have all but exhausted their quota of short-time working, and pumps and processors which have ex-perienced a particularly sharp downturn. Construction equipment, toys and footwear can also be put under the heading 'depressed.

However, it is also possible to detect bright spots. The country appears to be smoking fairly consistently, though there is no knowing what the budget will do. The food and drink industries are also quite buoyant, apart from the canning indus-try. And the high-technology industries are managing to hold

The East Midlands are also fortunate in having o far share of defence spending and companies such as Ruston Gas Turbines, Plessey and Rolls-Royce, which have a good proportion of these orders, are managing rather better.

Then, there are the small firms. Demand continues to roll in for small factory units. Leicestershire, for instance, began a pilot scheme at Narborough with ten units which were let as fast as they were built. Now there is a substantial well as in Leicester itself.

It is one consolation that, in such difficult times, so many people should be willing to take a gamble on creating their own businesses. It indicates that once the economy improves, the and East Midlands will continue to be one of the most prosperous and fastest-growing parts of the country.

tingham Grantham **EAST MIDLANDS** Ketterin ✓ Northampton

ON OTHER PAGES: Industrial trends .....

# Emphasis on re-training in higher technologies

RE-TRAINING services in the in an effort to meet the needs in the training of workers for East Midlands have inevitably of the local labour market. had to face an additional burden as a result of redundancies in the are monitored through regular and in general tries to build on area, but this has been offset to meetings of the district man-existing skills, filling in the some extent by the unwillingness of workers to leave secure jobs to re-train for another which may be difficult to find.

In accordance with national policy, the region has recently increased the emphasis on trainbuilding programme on half a ing for growth activities such dozen sites at places such as as the electronics, computer Earl Shilton and Coalville, as operations and related industries. There has also been strong support for courses which help people set up their own

> Mr. Mike Hemming, district manager of the Nottinghamshire Leicestershire training services division, said there had recently been a change of emphasis away from contracting skills such as in clerical work

f the local labour market. the heating and ventilating The needs of local industry industry, for word processing meetings of the district manpower committees, but Mr. Hemming admits that recent to help him up a grade in his cutbacks in the Government particular field. resources devoted to manpower services have meant a contraction in training over the past

Innovation

Industry in the area has stepped in to some extent, particularly in parts of Lincolnshire where there are few colleges, but in the face of recession many companies have cut back or closed their training

However, the region is strong

CONTINUED ON NEXT PAGE

gaps in a craftsman's knowledge

A recent innovation has been

the use of "career review

courses to assist managers who

are made redundant or change

jobs to adapt to new conditions

and to be aware of the means of

In the Stoke-on-Trent, Derby-

shire and North Staffordshire

area, administered from Stoke,

there is a strong demand for

places on higher technology

courses covering computer tech-

nology, electrical and electronic

engineering and for computer

finding another post.

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#### A DEVELOPMENT AREA As at 5th Dec. 1979



building leased. @ 15% grant on new plant, machinery and equipment. O Training cost assistance. © 100% of plant machinery and equipment for initial depredation allowances.  $\Theta$  50% of building costs available for initial depreciation allowance. @ O Selective assistance to projects if they would not locate in development area without assistance and/ or if project improves U.K. economy. O

#### A STEEL CLOSURE AREA_

As at 1st Nov. 1979



 Higher training cost assistance for ex-steel workers. • Advice and support with consultancy study from BSC (Industry) Ltd. 

ECSC loans for up to 50% of the capital costs of the projects, etc.,

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# WELLINGBOROUGH **Park Farm Industrial Estate**

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# Smaller concerns show remarkable resilience

THE STRENGTHS and weak with interest rates still high. Nottingham, the headquarters country, despite its problem nesses of industry in the East many companies fear severe cash Midlands have been brought into sharp focus by the severity output.

Nottingham, the headquarters country, despite its problem of the group which, last year, sectors, since it is not dominant to the group which, last year, sectors, since it is not dominant to the group which, last year, sectors, since it is not dominant to the group which are the g Midlands have been brought into sharp focus by the severity of the recession, with some major companies suffering badly and others virtually unaffected, while many smaller concerns have shown remarkable resilience.

At the same time, there is the many the

widespread dismay over the range of outside influences which have brought about the region's present industrial problems, such as the high pound and interest rates, public sector charges, increasing textile imports and more

in an area where more than 90 per cent of the companies employ fewer than 200 people, there is some surprise at the relatively low number of bankruptcies, but this is attributed to the ability of smaller concerns to adapt quickly to market

The Confederation of British Industry's regional chairman, Mr. Patrick Radford, believes that a major factor has been the success of companies in persuading their work forces to accept realistic wage increases, which have seldom been more than 10 per cent.

But as an example of a sector of industry hit by "un-foreseen and artificial prob-lems," Mr. Radford points out that two Derbyshire pipe suppliers, Stanton and Staveley (a British Steel subsidiary) and Clay Cross, have seen demand plummet due to cash limits on the water and gas industries, plus a curb on public sector capital spending.

companies steady demand, not violent fluctuations caused by Govern-ment intervention," he said.

#### Jobs lost

Recession is not new, however, to two major sectors in the East Midlands—the knitting and textiles industry and foot-wear manufacturers, both of which have suffered severely in the past two years, due largely to the rise in the value of sterling and foreign com-

perition.

It is estimated that at least biggest employers in the region, 10,000 jobs in the knitting industry have been lost in the East Midlands over the past 18 months, and while efforts to curb imports now centre on Brussels, the decline has been soon times and bad.

Rolls-Royce is one of the biggest employers in the region, with 19,000 people working at Derby, Mount Sorrel, near Leicester, and at Hucknall, near Nottingham.

The company's effort to Brussels, the decline has been a major blow for the local

With budget measures expected to provide some assist-ance, there are also signs that market. the UK knitwear market is show-

retail buying.

He also suggests that
the time has come for
Government funds to support rationalisation of his industry. Similarly, he believes a hard line should be taken on the new multi-fibre arrangement, recog-

Although the knitting indusarmough the knitting industry has not suffered as severely as others through imports of cheap American fibres. Mr. Harrison points out that the U.S. now has 2 per cent of the UK T-shirt market, 4 per cent of sweaters and 5 per cent of knitted fabrics. It is the largest external source of these items. The recent strengthening of

to have much impact on these imports, Mr. Harrison believes, and the continued strength of sterling against European currencies is a problem, although exports there have held up sur-

Among the knitting, foot-wear, engineering and paint sectors, plus a diverse range of maller industries in the East Midlands, a small number of large companies tower above the rest. Most of these are in sectors of industry which have so far been fairly immune from recession, such as Plessey in electronics, Rolls-Royce in aero engines, and Boots of Nottingham, in pharmaceuticals.

None of these companies has suffered any significant redundancies in terms of total numbers employed, and are important anchors for the regional economy, offering stability in good times and bad.

The company's effort to rapidly improve productivity to the level of its U.S. competitors economy in which one job in is now its main preoccupation, eight depends on knitting and textiles, or at least it did until recently.

The strength of the dollar is of vital textiles. importance to Rolls-Royce, due

the UK knitwear market is show- Boots, which employs 66,000 The prospects for the East ing signs of improvement and people throughout Britain, has Midlands are seen as better destocking comes to an end, but around 12,000 employees in than many other parts of the Boots, which employs 66,000

outside innuences as any com-pany, having seen its sales in the U.S. severely damaged by the high value of the pound. Three years ago, the Notting-ham company employed around 9,000 people, but this has now fallen to 6,000 and much of the workforce is on short time, some on a two-day week.

However, the recent TI-Raleigh Tour de France win, which has given added impetus to the company's already successful inroads into the European market, has been encour-aging and there are hopes of an improvement in U.S. sales. Cheap imports continue to be a problem for Raleigh, which remains the world's only completely integrated cycle com-

The footwear industry is a mainstay of the East Midlands, with women's and children's shoes centred on Leicester, and men's at Northampton—the latter having suffered worst in the past two years through foreign competition

This has been caused partly by the change in style towards moccasin-type shoes and the need for manufacturers to re-tool accordingly; sterling has also hit exports, particularly in North America. But there are now signs for some improve-

ment in the British market. There is still considerable esentment, however, over the restraints on imports imposed by dozens of countries in an effort to protect their domestic shoe industries, while Britain has borne the full impact of

Mechanical engineering, much of it centred around Lincoln and Derby, accounts for around 14 per cent of the region's total employment in manufacturing, but has been hit less badly than in the West Midlands.

The sectors in which engineering companies in the region specialise—such as agricultural equipment in Lincolnshire, textile and footwear machinery around Northampton and Leicester, and mining and heavy engineering at Derby and Nottingham — have, neverthe-less, been affected by the recession and efforts to improve productivity are now regarded as crucial in many cases.

Training

CONTINUED FROM

PREVIOUS PAGE

A number of the Higher

National Certificate courses

offered are ones with a national

catchment area, and are there-fore well attended, as is the

course for senior executives at

the East Midlands Regional

Management Centre. This comprehensive training scheme

is aimed at broadening the out-

look of top managers before they apply for new jobs.

The effectiveness of courses

of this kind are difficult to judge, since there can be no

direct measure of success rate.

but the favourable response of those attending courses is regarded as sufficient justifica-

In the Leicestershire and

ratio of employed people to un-

employed attending courses has moved significantly towards the

unemployed, and most courses

The main emphasis is on

craft training at skill centres; multi-skill commercial training, with increasing concentration

on familiarisation with word processors and small computers,

and training at technician level

in East Midland industry.

Lorne Barling

Northamptonshire area

are well attended now.

Skill centres

courses

branches of industry, and economic growth is expected to

Relatively low labour costs and a reliable work force with a wide range of skills are seen at a time of increasing price competitiveness, while there is a large number of concerns with good potential for growth in expanding areas of industry.

For example, the area's strength in electrical engineering and electronics, and in power generation, will give added impetus to economic recovery when the world recession shows signs of ending. However, there is a clear need for diversification within this raster growing electronics activities.

Lorne Barling

LEAD	ING C	OMPANIES	
Name	Date of arrival	product	number of employees
Rolls-Royce	1888	Aero engines	19,000 12,000
Boots	1877	Pharmaceuticals	6,000
Ti-Raleigh	1887	(Trains	
Plessey	1961	Telecommunication	6.000
		equipment	4.900
Brush	1889	Elec. eng.	40.00
John Player	1877	Cigarettes and	4,700
		tobacco	4.000
British Timkin	1942	Bearings	3.900
GEC	1953	Engineering	3,250
British Celanese	1917	Synthetic fibres	3.000
Meridian	1850	Knitwear	2,300
Ruston Gas Turbines		Engineering Perfoods	2,250
Pedigree Petfoods	1951	Penioous Smokeless fuels	2,060
Coalite	1920	Smokeress ructs	2.000
Courtaulds	1786	Hosiery	2,000
British Shoe	1874	Feetwear	_,
British United Shoe		Shoe machinery	2,000
Machiney	1899	Fruit and vegetable	s 2,000
Geest	1935	Knitwear	1,000
Corah Knitwear	1865	Breakfast cereals	1,600
Weetabix	1932	Printing	1,500
Вештове	1830	LUIIII	•

# Further investment in the collieries

THE EAST Midlands contains the most productive coal pits in tonnes in every four go direct and co-ordinating the work of to a string of big power stations along the Trent, one of which holds the UK productivity modernisation, with two record and is as efficient as the collieries producing more than best in Europe and has been for some years.

The region is also a centre tions have been made for three or some of the newest technonew mines in the Belvoir area for some of the newest technologies—it is, for example, the home of three gas turbine makers, known round the world

Rolls-Royce; GEC Gas Turbines which is making an
increasing contribution to oil and gas production, at Whetstone, near Leicester; and Ruston Gas Turbines, in Lin-coln. It is a formidable array

of power-producing enterprises. Two factors that have most contributed to the East Mid-lands' prominence in coal production are seams thick enough to justify full-scale mechanisation, plus a co-opera-tive labour force with one of the best industrial relations

#### Resources

records in the country.

Some of the coal seams in the prolific north Derbyshire area are 1.5 metres thick. Not that all the coal is underground; the Second World War saw the exploitation of seams first uncovered by George Stephenson's navvies when they were build-ing a tunnel, near Clay Coss.

was one of the most notable opencast sites, and 1.6m tonnes was taken between 1970 and 1973 from Shipley, with a similar tonnage coming from Meadowgate on the noth Derbyshire, south Yorkshire borders.

The productivity of the north Derbyshire area is running at 3.20 tonnes per manshift compared with the national average of 2.30 tonnes, and Nottinghamshire is not far behind. A lot of the mining in the East Midlands has been going

on for a century, so that many pits have become exhaustedfor example, 30 of them in north Derbyshire alone, have been exhausted since the end of the war. Nonetheless, a consistent policy of modernisa-tion and mechanisation has resulted in the remaining collieries producing more coal. Of the £81m invested during the last decade, no less than £59m has been committed under the 1974 Plan for Coal.

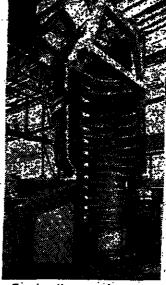
With rich seams to exploit, the area has been a test area for advanced techniques that, in turn, have helped to sell British coal technology in America and other parts of the world. Underground trackless haulage is being developed at High Moor

The north Nottinghamshire area has seen an even greater investment—£200m since vesting day. It is a pioneer location for various types of mechanical coal-cutting and all pits are now fully mechanised. The result has almost doubled output to 11m tonnes.

south Nottinghamshire, cerns are among the bigges work has largely been concen-trated in phasing-out old pits and co-ordinating the work of modernisation, with two collieries producing more than 1m tonnes annually.

In addition, planning applicaof north-east Leicestershire, in the south Midlands area (which includes three pits in Kent). The hope is to exploit more than 500m tonnes in the coal-

Investment in Nottingham-shire and Derbyshire this year is put at nearly £150m, a high



Construction work on a generator set at GEC Gas Turbines, at Whetstone, near Leicester.

proportion of which will be spent on new coal seams, and in preparation plant. Two pits are scheduled for closure in the region and another for a

#### Power stations Of the total coal tonnage from

the region, no less than 28.5m tonnes, around 70 per cent will go to power stations of the Cen-tral Electricity Generating Board. More than half this will be moved by "merry-go-round" trains which run continuously, moving the raw materials in rapid-loaded bunkers from 17 collieries. Each train takes 1,000 tonnes aboard in half an hour, while the train is moving. The remainder of the sales go to other industrial centres for production of cement, bricks, and general engineering. Some sales also go for export, via Immingham, again connected by the "merry-go-round"

The coal bill for the CEGB for its eight stations in the East Midlands amounts to more than £700m a year. In the Basset-law local authority area there are three power stations which between them pay £5m in rates.

The two nationalised concerns are among the biggest employers of labour—the NCB with 62,500 workers (the biggest) and the CEGB with some 6,000, all of them contributing widely to the East, Midlands economy.

Both the NCB and the CEGB buy a significant proportion of their plant and equipment regionally, as well as involving a range of services, the CEGB investment programme amounting to nearly £280m a year. Altogether, the Midlands region of the CEGB has a capa-

city from its eight stations of 45,000m units and distributes more than half to the rest of Britain through the national grid, mainly to the South East." Major stations, such as Rat-

cliffe-on-Soar rely on other forms: of power for emergency duties or for "peak lopping" when demand suddenly escalates. Industrialised versions of Rolls-Royce aero engines (which are converted just over the border; in the West Midlands) and GEC: Gas Turbines at Whetstone fulfil these duties.

#### Applications

The lower-powered Ruston gas turbines (also made within the GEC group) are frequently used for operating gas trans-mission compressors; this tur-bine equipment is also used in oil pipeline projects and other schemes in around 43 countries.

GEC Gas Turbines manufac-

ture machines from 8-100 mW with up to 300 mW available with machines in combination. Some 500 machines have been supplied to Canada for oil pipeline pumping and emergency power sets for nuclear and hydro-electric stations in Ontario. Nearly two in three are used for power generation, among them mobile 15 mW sets that can take advantage of ro-ro (roll-on, roll-off) ferry facilities. But both for GEC at Whet-stone and Ruston at Lincoln,

North Sea oil and gas exploration and production have been a major source of new business. If this work is counted for export, it lifts GEC's export performance to 90 per cent and Ruston's to no less than 97 per ...

Gas turbines are used for a variety of projects such as pumping gas and oil, injecting water into reserve areas to bring the oil to the surface, as well as for more mundane takes. as helping to produce power no and light.

Ruston, with an annual production of around 150 machines in the 1,750-9,000 bhp range, is said to be the largest producer in its field in Europe. Besides " its international involvement in gas and oil production, the company has also been involved: in pioneering projects involving in pioneering projects involving in energy-saving CHP (combined heat and power) systems, such as those at the John Player in National Player in Player i cigarette factory in Nottinglations in Holland

Peter Cartwright

#### There has been a move away from heavy goods vehicle driving courses, while design engineering courses, again with computer training, are proving increasingly popular. Mr. Roger Prescott, district manager of the area, said it was now necessary for more people to go into completely new occupations, due to the changing nature of industry, and they were encouraged to look ahead at the labour market in 12 to 18 months' time. One advantage of the recession had been the full use of most courses, which had previously been undersubscribed, making the best of the limited funds now available for re-Overall, the region appears to be successfully encouraging people to embark on courses which will provide them with a wider variety of skills which will make them more adaptable to the rapid technological changes which are taking place

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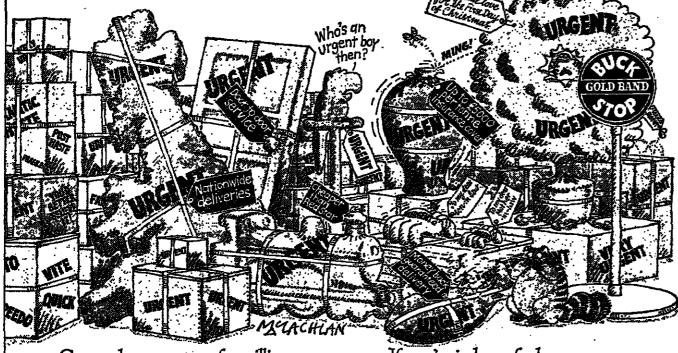
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#### EAST MIDLANDS





Mr. Rob Teeuw (left), chairman of the British Bulb Exporters' Committee, with Mr. Peter Atkinson, secretary, inspecting some of the narcissi at Groom Brothers' nursery, near Spalding, Lincolnshire. Right: bulb workers at Lingarden prepare

# Bulb industry has developed a successful export market

Lincolnshire town of Spalding there is a sign which, under-neath the name, contains a scene depicting a girl picking a bunch of tulips.

On May 9 about half a million people will pass the sign — actually, signs, for there is one on each main counter attraction that day of the Cup Final on television. That Saturday is the day of the Spaiding Flower Festival, day when 20 floats, ated with millions of blooms, parate for three hours through the streets of this small Fens town.

The parade is, frankly, a means of drawing attention to the fact that Spalding is the bulb centre of Britain, a rather more grandiose form e signs on the approach ads convey, in their own way, throughout the year.

This year Spalding is celebrating its centenary as a bulb town. It was in the early eighties of the last century that a Mr. J. T. White, a dealer in scrap iron, mole and rabbit skins, took the first consignment of daffodils to Covent Garden Today. the British are the world's st producers of narcissi -daffodils to you and meand a hefty export market has been built up with Holland.

75 C. 21

Whether the industry has anything more to celebrate this year is a matter of conjecture. It faces rising fuel costs, subsidised competition from the Dutch, falling acreage given over to bulb production, increasing competition from imported flowers and a strong pound.

The industry is constantly telling the Great British "Say it with but unfortunately

tinental counterparts, usually prefer to say it with choco-lates—perhaps it is because we are a nation of gardeners (while so many continental Europeans are flatdwellers), and we are not therefore great givers of

These problems have to be seen in context, however. The industry has been very successful in building up to its present world eminence and, almost as important, in rebuilding after the war, when three-quarters of the land under bulbs was given over to food production.

#### Expansion

The industry has also developed a highly successful export market in the past five or six years. A decade ago, exports of dry bulbs amounted to a miniscule £64,000; by 1979 the figure had risen to £1.699m, with the big rise occurring around 1974 or 1975. The vast bulk of these-about 88 per centare parcissi.

The Dutch take a third of those, with the Germans another fifth. The rest go almost entirely 10 other European countries, but there is a small trade with the U.S. which the growers are hoping to de-

The increase of the export trade has helped to create healthy conditions in the dry hulb side of the business and offset some of the fears which have inevitably arisen as a result of the area under planting having slipped since 1975 from some 9,800 acres in Britain as a whole (70 per cent of which are within 30 miles of Spalding) to about

One further development has also helped the industry: the move towards pre-packag-

ing and the consequent oppor-tunity this has offered for sales through supermarkets. The individual dry bulb is really aimed at the buyer in the specialist shop or garden centre; pre-packaging offers a vast, potentially new, clien-tele, via the impulse purchase

from a supermarket shelf. If there is contentment at developments within the built sector, there is a less sanguinefeeling about the state of cut flowers. Four jumbo jets a day arrive in Europe full of car-nations from Sri Lanka, Israel and Kenya, plus roses from the south of France and Israel and gladioli from Kenya. They can be on a British table within 24 hours of being

picked in Africa or Asia. It is here that labour costs enter the equation because the cut-flower trade is highly labour-intensive. To some ex-tent, the British growers have been able to stay ahead of their competitors because, in daffodils, the native bulbs produce up to 20 per cent more flowers per ton than those grown on the continent.

The cost advantage this gives to Britain is, however, being eroded by high fuel and lahour costs. Since there is little the industry can do about fuel, it is looking for improvements in thermal efficiency or double glazing of glasshouses to hold rises in These pressures will not be

apparent to the hundreds of thousands who watch the floats pass by and afterwards Spaldings Springfield Gardens, the in-dustry's showcase, on May 9. The encouraging point is that the industry knows the nressure points and is working hard to combat the competi-

Anthony Moreton

# One of Britain's most productive farming areas

ONE OF the more noticeable conditions have been tamed trends in farming in the East and the harvest has been favour-Midlands has been the increased amount of land under tillage, thereby reinforcing the region's role as a major supplier of and vegetables. It reflects a reaction both to naturally changing demands and the push-pull of agricultural prices and policies—not least, those of the European Economic Community.

the fight to achieve a profitably balanced farming a significant factor economy. has been the rise in crop output, which has been double that of livestock, partly due to better prices off-setting the rise in fixed costs. Among livestock only those keeping pigs and poultry-another growth sector -have prospered.

Some 80 per cent of the land area is farmed and the region is one of the most productive and efficient. Overall, it grows a fifth of the UK's wheat and sugar beet, and 12 per cent of barley and some 16 per cent of the potatoes although, in total, the East Midlands accounts for only 7 per cent of the UK agri-cultural land area.

The move into arable enterprises has been a dominant trend in Leicestershire and in Nottinghamshire, too, where there are some very large farms of 2,000 up to 6,000 acres and where substantial acreages have been made over to potatoes to satisfy the rising demand from the processors for frozen chips and crisps. Lincolnshire, of course, is the great potato area of the East Midlands for consumption and seed, making it the largest potato producer in

#### Big variety

Derbyshire, to the north-west of the region, has the greatest variety of activities, from arable and mixed farming in the south to hill farming in the north around Glossop. There is market gardening at Melbourne, mainly field vegetables—not very much under glass-and a good section of the area from West Hallam up to Alfreton devoted to dairying. This is largely of necessity, for the area is a centre of open-cast coal mining, and while the land is reclaimed, it is not fit for much else. Many of the farms are small, partly the result of the carry over from the time when there were many County Council small-holdings.

Neighbouring Notting shire has a diversity of conditions. sandstone, found in the west and north, presents a great challenge: a high wind in dry con-ditions can deposit most of the topsoil of a field over the hedge on to the road.

On the other hand, where such

and the harvest has been favourable, yields of up to 10 tonnes On the other side of the county, to the east, the marl supports

a lot of fine grassland.

Overall, some 260,000 acres
are under cereals compared with 100,000 of grassland. Sugar beet, though relatively a minor enterprise, is nevertheless, important to those round the processing plant at Newark. Some 12,000 acres are devoted to potatoes and 10,000 to oilseed rape, a cash crop of growing interest.

Despite the increase in arable farming, grass remains the single most important crop in Leicestershire, to the south. The traditional fattening valleys to the east of the Soar, where many beef cattle find their way from the Herefordshire and Welsh sales, extend into Northampton-

Leicestershire grass-support some 60,000 The fattening beef and a dairy herd of about 45,000 cows. The sheep population is put at 330,000, with a breeding flock of 130,000.

While cattle raising, dairying and other livestock activities an important element in the Northamptonshire fairming economy, it is also strongly arable, with 125,000 acres under wheat and another 100,000 under Oilseed rape is a barley. popular crop with possibly 15,000 acres being harvested, but sugar beet is not much seen, largely because the factories are too far away.

Lincolnshire, particularly as it approaches the rich fenlands, is a great vegetable growing region, with nearly 110,000 acres given over to peas, beans, carrots and brassicas. Subproportions of the harvests are sent processing, as much as 40 per cent of the реа стор.

The county also supplies as much sugar beet as the rest of the region combined. The dairy herd of 24,000 cows, and the smaller beef herd, while not so large by comparison with other parts of the region, are strong in quality and output.

Peter Cartwright

# A beautiful place to grow.

The Peak District? Coal Mining? The Rams? Chatsworth? Rolls-Royce? Royal Crown Derby? Just what is your image of Derbyshire? Is it the right one — up to date — accurate? Do you know where Derbyshire is, what it can offer you and your company?

Diversification of the County's industrial structure is proceeding apace and active policies by the County and District Councils and the private sector ensure an adequate supply of industrial sites together with a wide choice of existing factory premises.

For example the County Council has available, for immediate occupation, a number of advance factories from 1500 square feet upwards. These are located at Killamarsh, Alfreton, Ilkeston and Buxton.

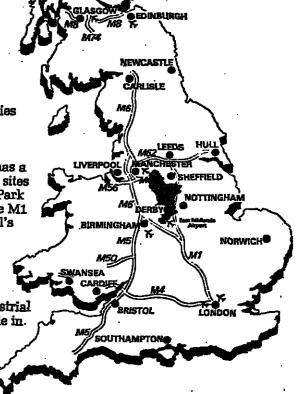
A wide range of existing factories (public and privately owned) is available throughout the County.

In addition the County Council has a variety of fully serviced industrial sites including Clover Nook Industrial Park just 1 mile from junction 28 on the M1 motorway. The first of the Council's industrial sites in its Accelerated Programme of Economic Development are now available at Glossop and Swadlincote.

A complete schedule of all industrial and commercial premises available in. the County is produced every two months - for your free copy or for further information on industrial opportunities in Derbyshire contact:

**Economic Development** Officer

County Offices MATLOCK Derbyshire DE4 3AG Tel: Matlock (STD 0629) 3411 Extn. 7380/5



# Considerable scope for tourism in the Shire Counties

begin 10-day tours from Zurich the East Midlands, this

Bese tours are not for pro-duction line workers from a the beaches, whether of the gnome factory, staying in Clay Cross, but well-to-do Swiss burghers able to pay upwards of £400 each for a visit that will centre for five days on the Derbyshire dales and five more on the Leicestershire country-The arrival of the Swiss high-

lights the efforts that the East Midlands Tourist Board has been making to attract in the board, describes the quali-visitors from abroad. The ties of the area as its history, Board is aware that the term scenery, peace and quiet, to East Midlands may not be the which must be added the besti marketing ploy and so friendliness of its people. The seeks to foster a picture of the Shire Counties, an image more historic houses and cathedrals

If the five counties do not immediately come to mind as a holiday area, then that is a reflection on our holiday desires. The British tend to head for West country or the Spanish Costas. The Lincolnshire coastline has not been developed in such a way as to appeal to a very wide audience, whereas the region's countryside can compare with anywhere in Britain.

#### Qualities

Mr. Jeff Hamblin, director of the board, describes the qualiregion has more than 100

IMPROBABLE AS it may seem. redolent of the yeomanry of and a quarter of the grade "A" listed churches in Britain; it trict, the solitude of the Lincolnshire wolds and the beauty of the Northamptonshire villages. And in Rutland Water it has the second largest lake in England, second only to Winder-

whisker.

Because of its position, the area suffered less last year than some other parts of Britain. A third of its holidaymakers already live within its borders, another quarter come from the South-East of England and a further one-in-five from Yorkshire and Humberside. It is, therefore, still relatively cheap for these people to take a break in the counties; petrol costs are not nearly so high a proportion of budgets as they are for people heading for Cornwall or

mere—and that by just a

he Highlands. The region has adapted to attract the needs of these holidaymakers. There are now 20,000 static caravans on the coast while other developments have also made the self-catering holiday more attractive. And at Skegness a feasibility study has been completed on the possible construction of an allweather centre which would not only provide entertainment for those days when the sun

the season. .... Hotel developments have also taken place with extensions and improvements, particularly in Skeeness.

does not shine in a British

summer, but also help to extend

The result has been that total income from tourism has risen to £190m of which £40m comes from overseas visitors. Many of these people come from the U.S. seeking ancestors. the Pilgrim Fathers originated here.

It is arguable that if the Shire Counties are to take full advantage of the increasing time we have available for leisure, then more hotels willbe needed. Some, especially in

the main towns, are fully occupied throughout the week and offer special rates to fill rooms on the weekend when the businessmen have gone.
One new hotel will be opened

in May by Vaux Swallow on the Nottinghamshire - Derbyshire border, at junction 28 on the M1 motorway, near Alfreton. And the White Hart in Lincoln has installed an imaginative garden room, with help from the Tourist Board.

But more needs to be done, especially in places such as Lincoln, Chesterfield and Derby. The pity is that Government help on hotel developments is restricted to areas, whereas most tourist developments needed outside these parts.

#### Keen interest

One part of the Shire Counties that will need no assistance this summer, though, Althorp, the Northamptonshire home of the Earl Spencer whose daughter, Lady Diana, will on July 29 marry the Prince of Wales. Althorp received a steady

flow of visitors in 1980 and this year inquiries from the coach operators have already begun to arrive in increasing numbers at the Tourist Board's offices in the shadow of Lincoln Minster. If any forecast can be made with virtual certainty. it is that Althorp will beat all records quite easily this year.

Chatsworth, the home of the Devonshires; Burghley, home of the Exeters; Boughton, home of the Buccleuchs; Belton, Oakham Castle and Rockingham Castle will all have to give way to the will all have to give way to the 16th century home of the Spencers. The Van Dycks, Gainsboroughs and Rubens may seem the attraction, but most visitors would probably swap them all for a quick glimpse of a girl who is destined to be Queen of England.

- Anthony Moreton

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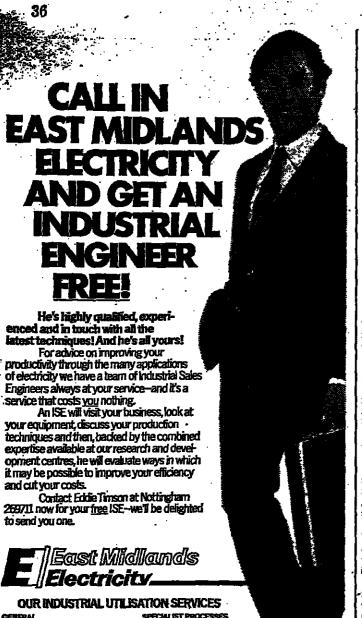
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# Food processing sector has been hit hard

become an important element in the calculations and pros-perity of the East Midlands farming community, especially on the eastern side. For many, however, prosperity may have been only a relative term these past three or four years, when input costs have been rising faster than market prices to reduce normal management profits to zero or beyond.

Waning demand because of the recession on top of adverse weather and import penetration stemming from the strength of sterling and, it is alleged, sub-sidies in some Common Market partners have combined to squeeze hard.

hibited germination of the pea crop, the most important vegetable crop, and cut the harvest by up to 20 per cent. A mild autumn and winter has brought forward fresh cauliflowers and sprouts to the market to the discomfiture of the processors. Canners looking for products to can during the off-season after January bave found themselves unable to compete against generously government-en-dowed French ravioli-makers or fresh carrots from Dutch greenhouses benefiting, it is said, by an oil subsidy equivalent to £10,000 an acre, or a 10 per cent extra competitiveness

Strong sterling is reckoned to

advantage in the UK market. Faced with these commercially brutal facts, a number of processors, freezers, dehydrators and canners, have collapsed, closed plants until the next

harvest or are on short time.

Lockwoods Foods, which is strong in canning, called in the receiver at the end of last week. Just before Christmas it laid off 480 at Boston and now another 1,200 jobs are at stake, most of them in Lincolnshire.

Whether the demand this year will match capacity remains to be seen, but having seen various competitors in difficulties the remaining companies look forward to a better Last year a cold, wet spring in-

> To bolster this trend, market prices have been firming in the past few weeks and there are still export sales to be made. World Farm Foods Co-operative (no longer a co-operative) has, for instance, cultivated markets for frozen vegetables in Spain, Italy and Germany to the extent that these developments now represent a fifth of the turnover. And those processors who led, rather than followed the trend from canning to freezing or crisping have generally managed to do rather better than

The changes in potato processing have been among the most marked. Between the 1976-77 and 1978-79 seasons, potatoes for canning plummeted from 26,000 tonnes to 8,000 tonnes, while potatoes for crisping l from 275,000 tonnes to 444,000 tonnes, and the ton-nage of frozen chips for the home market more than doubled to 571,000 tonnes.

#### Market shares

Two other enterprises that have been benefiting from the trend to freezing have been meat and turkeys. Nationally, chickens have by far the greatest market share around 367,000 tonnes in 1979, worth

Both frozen meat and turkeys have been on a rising scale; meat from 197,000 to 251,000 tonnes in the two years to 1979; and turkeys from 64,000 to 72,000 tonnes. Much of these increases have benefited the productive and efficient East Mid-

As already indicated, vegehas been punctuated by mixed fortunes, even where the farms are under contract. The pea crop is one of the most inten-sive, with vining machinery costing around £90,000.

Since processing plants have to be within 25 minutes' travel time of the flelds in order to retain maximum freshness, a poor harvest has direct implications for the economics of the overall operation and so of course, have yields. While acreages have been con-tracting, yields have been increasing to push up overall tonnages from 238,000 tonnes in 1975 to more than 262,000 tonnes in 1979. All told some 20 per cent of the East Midlands vegetable crops go for processing, with up to 40 per cent in the case of peas.

Considering the region's above-average productivity in almost every facet of farming enterprises, the East Midlands will continue to make a vital contribution to the national larder and will come through the poor times better than some other regions. It would be even happier if some of the more coarse mechanics of the Common Agricultural Policy could be smoothed down.

Peter Cartwright



Two important aspects of the economy of the East Midlands: farming and coal mining. The colliery above is Bevercotes, Belvoir. Planning applications have been made for three new mines in this area of north-east

# Services meet a high level of inquiries from small companies:

LAST TUESDAY evening two ning ahead of all forecasts.

COURSES STATED IN LANCOUR Technology Aided by the free telephone courses started in Lincoln Technical College, aimed at begin-ners in business. The intention had been to start one course, but the response was so large that two, with 20 people on each, are being held.

The classes deal with such issues as insurance, how to approach the bank manager, how to secure premises, cashflow forecasts and marketing. In other words, how to get going and as important, keep going.

The success of the initiative by Lincoln in the cathedral city follows the lead given over the past five years by Trent Polytechnic in Nothingham (which has a go-ahead small-businesses unit), Leicester Polytechnic and the Derby Lonsdale College of Higher Education.

#### Regional centre

Help for people wanting to set out on their own is a growth industry, with the Government at the centre of the activity. The Small Firms Centre in Nottingham was the last of the regional centres set up by the Department of Industry when it was opened, late in 1978, but already the number of inquiries it is receiving has been run-

service (dial 100 for the operator and ask for Freefone 2444) the number of inquiries rose from 5,000 in the first full year of operation to more than 10,000 last year. The number has recently been running at a record 400 a week.

Most of these are simple in-quiries which can be handled by the team of assistants in the office under the direction of Mr. Terry Gibbon, the manager, But one-in-10 last year turned into a counselling session, which is the responsibility of Mr. Dennis Walton, the counselling adviser and his team of a dozen counsellers. counsellors.

The first counselling session is free; for the second there is a charge of £10 (plus VAT) and, subsequently, the cost is £20 for a maximum of 10 paid sessions in any 12-month period.

Mr. Waiton, once a senior executive in the textile industry and now operating on-his own account, reports that there has been a significant change the type of counselling sought over the past two years. At first it was concerned with marketing, management, startups, employment and finance; now half the cases are about

starting-up finance.

He and Terry Gibbon notice a large number of people approaching them with redundancy gratuities and wanting to launch out in business on their own account: there are want to open small shops, though the two categories do

#### Launching out

The Lincoln courses do not reflect this emphasis on the redundant striking out on their own. The high level of inquiries appears to have come more from people in jobs who want. to branch out on their own account—this despite the fact that Lincoln is a city that has been badly hit by unemploy-The work of the Government

mented by two purely county organisations. Leicestershire has set up a Small Firms Centre under Mr. Cliff Britt.

technic, to which the city has now joined. And in Northshiptonshire there's is input; an organisation set up in conjunction with the Chamber of Trade.

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FRE

SONAL

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MORY

(Footwear) Ltd.,

Northampton,

St James,

NN5 575

The Leicestershire service in also a considerable number who effect tops up the Government facility and is giving priority to a rescue service to figure not necessarily overlap very which find themselves in trouble. Seven firms are now using this facility and, in one, Mr. Britt has four people .: He will only go to such lengths if the company is considered to have a viable long-term future. He believes that this aspect of its work has led to 200 debs being saved in the past year.

The extent to which the national and local bodies are involved with companies; in their areas is an indication of how important it is to guide small concerns through the minefields which confront spen and the local colleges in the in the early days. The amount East Midlands is also supple of money involved is small in mented by two purely county every case, but the return if organisations. Leicestershire dien appreciable.

Anthony Moreton

#### **PROFILE: SKETCHLEY**

# Strong growth in recent years

SKETCHLEY, the dry-cleaning their number to cut overheads. and industrial clothing concern, is one company in the East Midlands which has avoided the worst of the problems experienced by the textile industry, although it is also involved to some extent through its textile

With beadquarters at Hinckley, near Leicester, Sketchley is best known to the public for its chain of more than 500 dry cleaning outlets, mainly in the southern part of the country, and employs around 5,500 people, nationally.

However, in the past four years it has experienced fast growth in the provision of ren-ted clothing for industry, rangng from ordinary overalls to highly specialised protective garments for electronic and erospace companies.

Although the recession has had noticeable effects on the dry-cleaning business, Sketchley's chairman, Mr. Gerald Wightman, points out that it has its advantages, too, since people now tend to make their clothes last longer and have them cleaned more often.

#### Turnover

In terms of turnover and the 3,000 people employed in Sketchley shops, dry cleaning is still the company's main area of business, with total sales last year of more than £24m. But with comparatively modest profits of £2m in that division, efforts are now being made to make better use of retail outlets by broadening the range of ser-

Mr. Wightman said its up-narket "Golden Service" with emphasis on clothing repairs, as well as a high standard of cleaning, had proved successful and further innovations were being considered, though not in the field of retailing.

"We must get increased through-put to offset increases in rents and rates," Mr. Wightman and large retailing organisa-said, pointing out that the company was now paying more in rates for its retail property than it was in rents. It had recog-nised the increased importance of training for retail staff to imve efficien

In general, Sketchley wants to offer a wider range of services through its shops, and at the same time is slightly reducing

"There are plenty more ser-vices we can offer, but I'm not

saying what they are, at pre-sent," added Mr. Wightman. Recession has also hit the industrial clothing market, which he describes as being like filling a bath with the plug out— new business is coming in fast, but a fair number of existing customers are "going down the plughole," through redundancies and closures.

However, the growth of Sketchley's business has been strong in the past four years, with turnover rising from nearly £7m to £20m, on which profits of £3.5m were earned. As working conditions continue to improve, as the recession ends, continued growth is fore-

#### Forecast

Mr. Wightman believes that the provisions of the 1978 Safety-at Work Act have not been pursued by trade unions because of the other problems of industry, but, when they are, it could mean strong demand for a wide range of protective At present, Sketchley pro-

vides a service which means a clean overall for between 38p and 40p a week, depending on the numbers involved, as well as items, such as flameproof suits and any special garment a company requires. Demand for such clothing has increased rapidly, both to protect workers from manufacturing processes. and to protect higher tech-

nology products from workers.
One of the eight Sketchley
Overall Service factories is at
Hinckley, where nearly 1.000 people are employed, including those in the head office, the safety wear and equipment centre, and the textile division, which is engaged in the dyeing. finishing, decorating and direct sale of fabrics, knitwear and hosiery, both to manufacturers

This sector has suffered most. as a result of the recession, but Mr. Wightman believes the company's "merchant converter" role of being able to act quickly within a fast-moving market is paying off well, and intends to

develop these activities further. Lorne Barling



and Staveley, one of the world's largest producers of water s, has its sights firmly set on the future with the recent instal

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# Farm 'disaster' warning

THATCHER was - cent in real terms last year. warned last night that British agriculture would face a disaster if the Government bent to EEC pressure to revalue the agricultural exchange rate.

At a meeting also attended by Mr. Peter Walker, the Agriculture Minister, Mr. Sichard Butler, president of the National Farmers' Union. old the Prime Minister that ich a move would leave farers with virtually no increase in outut prices this near. He based this on an EEC Commission proposal for an average 7.8 per cent in-

Green Pound. Meanwhile the cost of agricultural inputs was rising at about 14 per cent a year. The recent fall in farm in-

crease in farm prices and a 5 per cent devaluation of the

and the high level of borrowings meant that vital investment was not taking place. As a result the industry's ability to maintain supplies of bome-grown food was threatened, Mr. Butler said.

Meanwhile the Ministry, of Agriculture yesterday denied suggestions that the Government's restraint policy on EEC farm prices had been shandard The Ministry claimed Mr.

Peter Walker's evidence to a Parliamentary Committee on Wednesday, when he said the price package proposed by the EEC Commission was unacceptable, had been misinterpreted.

The proposal for price rises ranging between 6 and 12 per cent for various commodities averaged out at about 7.8 pcr cent. But it also included a call for Britain to cut its

#### Cocoa up on market squeeze

COCOA PRICES rose sharply on the London futures yester-day reflecting the increasingly tight supply situation on the physical market. The May position climbed to £952 at one time before ending the day £37 up at £948.50 a tonne.

Dealers said the appearance of Continental consumer de mand, albeit modest, high-lighted the difficulty of obtaining good quality cocoa. The rise was also influenced by developments in chart patterns follow-ing the breaking of an important "downtrend line." This encouraged substantial com-mission house buying and stoploss covering against earlier 'short" sales.

On the coffee market, meanwhile, traders shrugged off a scare report linking coffee drinking to cancer of the pancreas. This had depressed U.S. prices marginally over-night but did not appear to have much effect on London trading. Neither were traders impressed with reports from South America that Brazil and Colombia, the world's two biggest coffee producers, were planning to co-operate on pro-duction and marketing in an attempt to halt the recent sustained decline in prices. On the London futures market May delivery coffee ended the day £2 higher at £1,013.5 a tonne.

#### Recession hits Sri Lankan tea exports

A report issued after last week's tea auctions here states that Indonesia has displaced Sri Lanka as number one exporter to the lucrative North American market.

had held this position for many years, shipped 28m pounds, with a newcomer to the tea trade. Argentina, shipping 23m lbs, Last year Sri Lanka, which

by China and Mozambique.

EEC FARM PRICE PACKAGE

# Quotas a better alternative

BY JOHN CHERRINGTON, AGRICULTURAL CORRESPONDENT

THE EEC Commission's price proposals for this year are now being argued by the Council of there are a multiplicity of Ministers and have already been separate independent procesdenounced by the farming lobbies as being completely inadequate; the average increase is just below 8 per cent as against the farmers' demand for about 15 per cent.

The Dutch Minister of Agriculture joined in the attack recently, pointing out that thanks to the rise in world prices for sugar and wheat, the EEC budget should have a surplus of about 1bn ecus (some £600m) which should give plenty of room for an increase in farm prices. Probably well aware that this

bonus from world prices is transitory, and international sugar and wheat prices are already on the way down, the Commission has added to its recommendations suggestions for the reinforcement of coresponsibility to all commodities in present or prospective surplus.

The theory of a co-responsibility levy is that once production exceeds a certain amount, the industry itself will bear the cost of its disposal. To that end producers bear a levy universally applied in theory, but not in practice.

For instance there is at present supposed to be a co-respon-sibility levy of 2 per cent on milk. In the UK there is no problem in collecting it. Five

levies and send them over to sense Brussels. But in France, where supply than food in the EEC. sors, it is almost impossible to enforce, that they restrict the police. The financial links enterprising and that in any between Brussels and the Brussels and the case; in a hungry world, dairy industry are restricting food production in through intervention purchases and export subsidies. The lines of communication to the individual producers are tenuous in the extreme. In Italy they probquota scheme to control sugar ably don't exist at all. production. If it will work with Any universal corresponsibione commodity there is no reason why it should not with

lity levy will do nothing to restrain surplus production. It is also a highly unfair system which discriminates against those sections of the industry which for reasons, often out of their own control, cannot increase production, counter falling returns.

French

This is because the levy is paid or should be paid by everyone o na unit of production basis, which means in effect that those restraining their output are paying for the excesses of others to whom a 2 per cent levy is only a spur to greater efforts. The alternative to an overall

levy is a quota system, on an "on farm" basis which would mean the cost of disposal of any surplus would be laid on the farm where it originated. Quotas on a farm basis have bee in the Commission's bonnet. existed in many parts of the world, and in fact even in world, and in fact even in sion has, by manipulating the Britain with hops under the Intervention buying system Hops Marketing Board. They managed to prevent the growth

The arguments against them are that they are difficult to any way is a criminal act. But on the other hand, the EEC is already running a very effective Community and national

As an alternative to farm quotas there have been sug-gestions that quotas should be on a national basis. This was much touted by Mr. Peter Walker, a year or so ago, but vehemently condemned as being against the principles of the EEC by almost everyone

The Commission is also floating the idea of a super levy on milk in two forms. One to make any dairy increasing its output pay a levy equal to the cost of its disposal, and the other a levy on any farmer who produces more than 15,000 litres per forage hectare. This last to discourage the production of milk from feeding stuffs, a long-time

In case of beef, the Commis-

is in much shorter kets due to shortage and for, the present beef must be one of the least of the Commission's

It worries the Australians though, who complain of subsi-dised EEC beef invading markets in the Far East which they

like to think their own.
For cereals, the Commission proposes a standard quantity system in addition to a 6 per cent increase in Intervention prices. For every 1 per cent by which the Standard quantities are exceeded, the Intervention price would be reduced by 1 per cent up to a maximum of 5 per cent. On the basis of present production it looks as if this, if agreed, would wipe out most of the 6 per cent increase for soft wheat proposed for this

It is also proposed that standard quantities should be imposed on the same basis for oil seeds, principally rape, if production rises over 2.25m tonnes, a rise of 10 per cent on 1980 output.

In fact, the standard quantity or quantum with its accompanying limitation on intervention buying prices has the best chance of achieving some con-trol of expenditure. If it was accompanied by a concurrent reduction in the level of export subsidies it might be even better. But it is doubtful if it would do anything to reduce production in any way. Only quotas on the sugar beet prin-Milk Marketing Boards pro- are probably the only sensible of a beef mountain which looked ciple would have the least cessing every single producer's answer to the problem of likely a few mouths ago. There chance of success in bringing account simply deduct the overproduction, but common has been some strengths in mar- some control of production.

#### -Producers have little control of cotton trade'

THE WORLD cotton market is dominated by giant multicommodity traders on the New York Cotton Exchange while producers are tengent fluctuations, role to accepting widely fluctuations are according to a ing prices," according to a report by the UN Conference on Trade and Development on Trade and Development

A group of 15 multinational hading companies controls mearly 90 per cent of the world's So.lbn cotton trade, the report \$6.10n count many, says, while the developing countries for 80 per says, while the decount for 80 per scient of production have very little control over prices.

Producers receive only 2-15 per cent of the final price of : about 40 per cent goes to clothes retailers.

The report says the trading companies have immense bargaining strength compared with the producers, who are often borced to sell at any price to ensure their farmers survival The large traders also have sophisticated marketing and economic networks which cannot be matched by the national cotton marketing boards of the producer countries.

# Tin pact compromise hopes raised

SY OUR COMMODITIES STAFF

CONCILIATORY statements by full financing by member gov the U.S. in closed working party enments, while Mr. Lai has sessions have injected a note suggested that the supplement of optimism at the international tary 20,000 tonnes should be tin agreement negotiating conpaid for by loans taken against ference here, reports Brig. Khidaria in Geneva.

The U.S. is understood to have indicated that if producing countries agree to a buffer stock of 55,000 tonnes, it may accept the use of export controls as a last resort method of controlling the market when buffer stock holdings mount to 45,000 tonnes. This compares with the compromise proposal, put for-ward by Mr. Peter Lai, tin ward by ser. Feter 1.21, tin conference chairman, for a normal buffer stock of 30,000 tonnes, supplemented by an emergency stock of 20,000 tonnes, with export controls coming in when buffer stock holdings reach 35,000 tonnes.

In effect, the U.S. position differs from that of the leading producers on two main points—the U.S. wants a buffer stock 5,000 tonnes larger and it seeks to place the trigger point for export controls at a level 10,000 tonnes higher than Mr. Lai's proposal

A big difference continues

stock warrants and government guarantees. The producers' argument is that they are too poor to pay the large sums needed for a buffer stock as big as the one sought by the U.S.

farmers' incomes by revaluing

the Green Pound by 5 per cent and it was this Mr.

Walker found unacceptable,

mittee that together with levies aimed at making

farmers pay more towards the cost of disposing of surpluses it would effectively

wipe out the price rise, leaving British farmers with-

Mr. Walker is believed to

regard the Commission's price

rise proposal as a maximum level and to have no intention

of raising the Green Pound's

value by anything like the

The Minister's overall posi-

tion was unchanged and he would continue to argue for

minimal price increases for

products in structural surplu-

within the EEC, the Ministry

no increase at all.

amount suggested.

The Minister told the com-

the official said.

Meanwhile the Straits tin price in Malaysia on Wednesday night fell into the lower price range of the International Tin Agreement in which the buffer stock can start support buying, if considered necessary. The Straits price was cut by 26 cents to 29.90 ringitts per kilo, taking it just into the lower price range of 27.28 (the floor level) to 30.01 ringitts. This is the lowest level since January 1979.

However on the London Metal Exchange yesterday tin values closed slightly higher. There were unconfirmed rumours that the buffer stock manager had "borrowed" (bought cash metal and sold an equivalent amount at a forward date) some tin. but traders generally thought it was much too early for any concerning how the stock will dealings of this kind to take be paid for. The U.S. wants place.

By Mervyn de Silva in Colombo EXPENSIVE high-grade Sri Lankan teas have been badly hit by the recession in the U.S. and Canada, according to leading Colombo brokers.

a close third. Substantial gains in this market have been made

#### Stabilisation scheme criticised

THE Common Market's scheme for the stabilisation of export earnings of developing countries (STABEX) has been accused of failing to take account of inflation and product trends.

The Committee on Cooperation and Development of the European Parliament claimed in a report yesterday that STABEX was doing little to halt the fall in real earnings from exports experienced by the third world. It seeks, through a Community

development fund, to safeguard developing economies from fluctuations in world prices and demand for their basic products.

# More Argentine grain for Russia

ARGENTINE exporters this President of the National Grain, year, the Soviets bought 21m week have sold 1m tonnes of Board, Sr. David Lacroze, tonnes of Argentine wheat maize and sorghum to the Soviet arrived back from Europe and Russian purchases of Argen-Union, bringing the volume of coarse grains from the current harvest placed in Russia to about 6m tonnes. This volume exceeds by 1.5m

tons that stipulated in the agreement signed last year between Argentina and the Soviet Union. The agreement called for an annual minimum of Argentine grain exports to the Soviet Union over the next four years of 3m tonnes of maize, 1m tonnes of sorghum and 500,000 tonnes of sovabeans. This week's operation was concluded only hours before the grains. At the beginning of this

Moscow, where it was reported last week that he was negotiating the sale of 2m tonnes more ago, with purchases of forage of grain than is stipulated in grains and soyabeans, as a ing the sale of 2m tonnes more the Argentine-Soviet agreement. According to local grain sources, the additional sale

might be as much as 4m tonnes. Last year, after the January embargo on grain shipments to the Soviet Union called by the U.S. because of the Soviet invaof Afghanistan — an embargo Argentina has refused to join-Russia became the

tine grain then tapered off but leaped ahead again three weeks result of the continuing embargo on grain shipment to the Soviet Union and the probability that President Reagan will continue the embargo until October, the month fixed for its termination by former President Carter. The Soviet Union is expected

to import a record 35m metric tons of grain from all foreign sources this season, the U.S. biggest customer for Argentine Agriculture Department said

Pork Bellies—Merch 44.45 (44.27), May 46:00-45.80 (45.65), July 47.70-47.55, Aug. 46.75-46.90, Fsb. 58.80, March 58.00, May — Silver—March 1190.0 (1179.0). April 1201.0-1200.0 (1183.0), May 1211.0, June 1225.0: Aug. 1255.0. Oct. —

#### BRITISH COMMODITY MARKETS

797.5-8.5+5.25 739.5-80.5 + 5.5 months 820.5-1 +4.25 823-,5 +5.5 titlem't 198,5 +6.5 ---Cath..... 3 months 

Amalgamated Metal Trading reported that in the morning three months wirebers traded at £222, 21, 21.5, 22, 21.5, 20, 20.5, 21. Cathodas, cash £783, 89.5, three months £829.5, 21, 21.5, 22. Altamoon Wirebers, trade months £829.5, 21, 21.5, 22. Altamoon Wirebers, three months £822.5, 22, 21.5, 22, 23, 23.5. Kerb: Wirebers, three months £822.5, 24.

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TiM-Signily firmer as light physical demand lifted forward metal from 55,180, However, profitating pared the price to £5,175 on the late-Kape, Turnover: 1,215 tonnes.

Meming: Standard, cash £6.085, 80, 90, three months £8.150, 55, 60, 70, 80, Karb: Standard, three months £6.170, 75.

LEAD—Little changed. Forward metal rose from £327 to £330.5 in the morning Rings but met heavy hedge selling which pared the price to £328.5 in the attenuon. The market edged higher on the late Kerb with three months closing at £330. Turnor LEAD

Morning: C

LG index. Tel. 01-622 9192.

August Sugar 230.0-232.0

Our clients speculate, free of tax, in very small to very large amounts, on 1. London Traded commodities, including GOLD.
2. The STERLING/DOLLAR exchange rate.

LG. Index Limited, 73 The Chase, SW4 ONP. Telex: 894756 CORAL INDEX: Close 479-484 (+12)

Oil-Index Refined April '81' \$42.00 Refined June '81 \$42.10

A10.

Oil Future Refined May '81 \$42.00

#### EDUCATIONAL



#### PERSONAL

#### TO IN LIVING MEMORY

Floral tributes fade. Your regard for a departed friend lives on if you make 2 dona-tion in their name to Help the Aged's work-towards e-Day Centre for the lonely. medical trestment or research for the old, or help for the housebound. Every £ achieves a great deal for the old. Please let us know the name you wish to commemorate Send to The Hon Treasurer, The Rt. Hon Lord Maybray-King. Help The Aged Room FITNM, 32 Dover Street,

London WIA 2AP

*** **Tessiers** Value Silver and

Bernard Children a market transfer to the state of the control of

EVE has obtlived the others became of a colley of fair oley and value for most support from 10-2-30 em. Deco and too misiciens. Glamorous becomes exciting floorshows. 188. Regent St. 734 0337. GARGOVIE, 69. Dean Street, London, NEW EROTIC FLOORSHOW CLOSE ENCOUNTERS

over 22	45 tonnes	•	•	
ZINC	a,m. Official	+ or	p.m. Unoffic'i	+
Cash 3 months 8'ment Primw'ts	334,6	£ +1.25 +1 +1.5	\$34.5 345.5 345.5 41.5	÷.
44.5. Ka	: Three ib: Three see month:	month	s £345. A	Alto

Over.	10,42	tonnes.				_		_
.m. iclai	+ or	p.m. Unofficial	+ or	Alumin'm	a.m. Official	+ 01	p.m. Unoffici'i	
2 31-2 9-30 32	+2	728,5-9	£ +1.75 +1	Spot 3 months	£ 649-50 860-1	£ +8 +1.75	£ 647,5-8,5 659-,5	
		_ *34 _ 22.5, 22, 5, 29, 29.5		61, 60, 5 £660, 59, 5 months 6 Three mon	8, 60.5. 1 58, 59, 58. 660, 60.5. 11he 1659.	Karb: 5. A 61, 6 5, <del>6</del> 0	fternaon: " 8, 59.5.   , 61.	K
			· - }		-Steady		three m	•

Silve was fixed 0.8p an ounce lower for spot delivery in the London buillon market yesterdey as 528.70p. U.S. equivalents of the fixing levels were aport 517.42. down 1c; three-month 512.181, down 0.8c; six-month 512.68, down 0.8c; and 12-month 513.546, down 0.8c;

LME—Turnovar 241 (177) lots of 10,000 cunces. Morning: Three months 547, 48, 48, 49, 47, 48. Kerb: Three months 548, 48, Afternoon: Three months 550, 47, 46.

COCOA

A little steadler at the opening call, coops futures relied extrengly during the lets morning and alternoon trading session, closing near the highs, reports

May 966.967 | +22.0 972.940 | Sept. | 982.985 | +17.0 990.967 | 982.985 | +17.0 1010.997 | 1005.08 | +10.5 1030.92 | May | 1048.47 | +10.5 1048.88 10,003 (9,984) late of 10

(94,08). London falled to follow Wednesday's sudden surge of activity and after opening the expected £5 lower railing £10 in poor volume and held these

COFFEE	Yesterday Close	t or	Business
	2 per tonn		
March May July Sept	993-97 1013-14 1026-97 1042-44	+2.5 +2.0 +6.0	1000-99 1018-05 1030-20 1045-35
Nov Jan March	1042-43 1043-45 1040-45	3.50	1045-37 1050-45 1040
Roless 1 7	100 /2 10X\	late of	5 ******

GRAINS

LONDON GRAIN FUTURES—Old crop wheat opened lower, and values eased in the afternoon session to close 65p down on the day. A general lack of buying support eased barley values to close 80p down. New crop

district Annual Laborer Mann							
WHEAT .			BARLI				
Math	Yesterd'y: close	+0	Yestarday close	<u>/</u> †•			
Mar May July Sep Nov Jan	110.65 112.85 116.40 99.10 102.75 106.70	-0.65 -0.65 -0.56 +0.50 +0.35 +0.45	97,35 99,30 93,95 97,65 101,45	+0.1			

Business done: Wheat: March 110.90-110.80, May 113.35-112.85, July 116.80-116.40, Sept. 99.35-98.70, Nov. 103.00-102.95, Jan. 107.00-106.70. Sales 253 lots of 109 tonnes. Barley: March 97.50-97.40, May 99.75-99.30, July no trades, Sept. 94.40-93.65, Nov. 98.00-97.75, Jan. 101.85-101.60. Sales 165 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Herd Winter, 13% per cent, March 104. April 104.75 transhipment East Codet. English Feed (ob March 105 paid Gunness (Lincoinshire), April 116, May, 117. sellers East Coast. Maize: S. African Yellow March/April 39 seller. Barley: English Feed (ob March 100.75 paid Gunness, March 101 naid Roston, April 102.50 paid East

97.80. The UK Monetary Coefficient for the week beginning Monday March 18 is expected to remain unchanged.

#### RUBBER

The London physical market opened ecolor, with little Interest throughout the day, closing quiet. Lewis and Peat reported an tob April price for No. 1R SS in Kuels Lumpur of 285.0 (296.5) cents a kg and SMR 20 at 262.0 (263.0) cents.

R.S.S.	ciose	closs	Done
tpr. May Apr Jne Jly-Sept Oct-Dec Jan-Mar Apl Jne.	60,50-50,50 60,48-80,50 60,70-50,50 90,50-80,50 90,50-80,50 72,20-72,50	58,70-81,00 61,00-61,50 61,18-81,40 84,10-84,20 67,00-87,10 83,50-70,00 72,56-72,70	60,20-80,00 68,50-86,70 84,40-85,50 67,20-89,50 89,80-89,10
		77,80-78,10 et 15 ton	

Sales: 336 (417) at 15 zonnes. 4 et 5 tonnes, Ehyaical closing prices (buyer) were: Spet 58.00p (same), April 61.75p (62.25p), May 62.50p (63.50p).

DELLION COMING	WIII WANKEIS				
BASE METALS COPPER Marginally firmer in quiet	TIN Official - Unofficial -	30.5, 31, 30. Kerb: Cash £322, three months £330. Afternoon: Cash £321, three months £330, 29.5, 29, 28.5. Kerb:	higher values for the duration of the morning, reports Drexel Burnham Lam- bert. Afternoon dealing fared little	s short covering rally late in the day ' firming prices.	_
trading on the London Matal Exchange. Forward metal opened at £820 and	High Grade £ £ £ £ Cash 5085.90 +50 5060.75 +12.5 3 months 6180-5 -50 6165-70 +8.5	Three months £329, 28.5, 29, 30, 28.5, 30.	better and with New York also quist, trading opportunities were somewhat	Yest'rd'ya + or Businesa Close - Done	_
edged higher throughout the day, to slose the late Kerb et £823.5. Turn- ever: 28,500 tennes.	Settlem't 6090 +50 Standard Cash - 6085-90 +58 6080-75 +12,5	metal trading in a narrow range prior to closing the late Kerb at £345. Turn-	reduced.  Yesterday's  COFFEE Close H or Business	£ per tonne. April	-
COPPER Official - Unofficial -	3 months, 6180-90 +62 5 6165-70 +6.5 Settiem t 6090 +59 - Straits E :529-90 -0.25	zinc Official ( Unofficial )	£ per tonne	June	M Ai
Wirebars 797,5-8,5+5,25,789,5-800,5+5,5	New York	£ £ £ £ £ £ £ £ £ £ £ £ £ £ £ £ £ £ £		December, 128,50-50,0 + 0.75 — February 150,00-52,0 + 2,50 150,00 April 151,00-54,0 + 1.0   —	Co
3 months 800 5.1 ±4.55 827-5 ±5.5	90, three months £6,150, 55, 60, 70,	3 months 344.5  +1   3455  +.5	Sept	Sales: 96 (152) lots of 100 tonnes.	C

TIGAR

zemikow.					
No. 4 Con- ract	Yest'rdy's Close	Previous Close	Business Done		
AY	255,50-55,98	er tonne 231,50-31,75 227,50-27,75			
ct	228,25-28,50 218 ML-18 PA		229,50-19.50 219 SD-18 BB		

Salas: 10,793 (13,847) lots of 50 Tate and Lyle ex-refinery price for

WOOL FUTURES

**POTATOES** 

Aug. 381, 385, 385, 1, Sales: 3.

.LONDON POTATO FUTURES-Initial buying of April spon faded, and the values settled to show a small loss on values settled to show a small loss on the day. November suracted late buy-ing interest to close steady, reports Coley and Harper. Closing prices: April 58.50 -10 (high 59.40, low 58.70); Nov. 57.90 +70 (high 57.90, low 57.40); Feb. 87.30 +20 (high 67.39, low 66.90). Turnover: 96 (53) tota of 40 connes.

MEAT/VEGETABLES SMITHFIELD—Pence per pound. Beef: Scotch killed sides 71.5 to 75.8; Eire hindquarters 85.0 to 8.0, forequarters 54.0 to 57.5. Veal: Dutch hinds and ends 109.0 to 11.0, Learb: English small 70.0 to 78.0, medium 69.0 to 74.0, heavy 62.0 to 69.5. Imported frozon: New Zeafond pf 55.0 to 56.0, pm 54.0. Pork: English, under 100 lb 41.5 to 51.0, 100-120 lb 41.5 to 49.0, 120-160 lb 88.8 to 48.0.

#### PRICE CHANGES

1981 ago £810/815 \$1445/1476 Platin'mtr'y oz 2212.45 -1.05 2202 Freemkt. 2211.05 ... 2232.45 Quicksilvert ... \$405;415 +1 \$550;670 Silver troy oz ... 528.70p -0.88 651.70p

\$390 .....\$430 \$305y -1 |\$338 Grains | Barley Futures £99.30 Malza ..... -0.80 £98.35

+0.50£106 Other commodities | Cocca ship't ... £1,044 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 | +37 £955 Other † Unquoted. u May-June. x March-April.

MEAT COMMISSION-Average fatmical commission—average lat-stock prices at representative markets on March 12. GB cattle 87.81p per kg tw (-1.18). UK sheep 188.31p per kg est dow (-1.34). GB pigs 73.42p per kg tw (+9.46). COVENT GARDEN-Prices for the

bulk of produce, in sterling per package

v May. y April. z Indicator. § Buyer. ‡ Per 45 ib flask. * Nominal.

COVENT GARDEN-Pricas for the bulk of produce, in starting per package except where otherwise started: Imported Produce: Oranges-Jaffe: Shamourtas 50/199 4.50-505: Spania: Navels 48/100 4.20-4.80; Cyprus: Shamourtas 50/199 4.50-505: Spania: Navels 48/100 4.20-4.80; Cyprus: Shamourtas 50/199 4.50-505: Spania: Trays 25/54 2.20-2 40; Cyprus: 10-kg 4.00-4.50; Californian: 95/140 6.00-6.50; Italian: 100/120 3.75-4.50; S. African: 86/140 5.90; Jaffa: 5.80, ½-boxes 40/45 2.80. Grapefruit—Cyprus: 20-kg 40/64 3.00-3.40; Jaffa: 20-kg 39/4.45, 40 4.50, 158 4.65, 56/4.40, 64/4.50, 158 4.65, 56/4.40, 64/4.50, 158 3.80, 182 3.40, Wilkings—Spania: 80/95 5.50, 126/5.20, 140/5.00, 154/4.80, 168/4.50, 182/4.20; Jaffa: 22-ib 80/90/4.20. Temples—Californian: Sunkist 80 7.30. Apples—French: Stark Crimson 40-ib 4.60-5.50, 20-ib 72 2.60, 84/2.20; Granny Smith 40-ib 6.20-6.80, 20-ib 72 3.40, 84/2.70; Gölden Delicious 40-ib 125/175 3.60-5.00, 20-ib 72 2.80, 84/2.40; Italian: 40-ib Romes 60/70/4.20, Granny Smith 19/20-ib 60/70 3.00; Hungarian: Starking 44-ib 6.40; Canadian: Red Delicious 195/150 8.00-9.00; US: Red Delicious 9.00-10.50; Belgian: 28-ib, per pound 0.09-0.14.

GRIMSBY FISH-Supply

#### AMERICAN MARKETS

PRECIOUS METALS and copper firmed on expectations of further cuts in the prime rate. Sugar, cocos and coffee Sept. 368-366, Dec. 368-366, March 1972.

**IMalze March 347-347.** (3451.**)

May 357-357.** (3541.**)

**Imalze March 347-347.** (3451.**)

**Imalze March 347through buying supported corton values. Good commercial support railled the grain and soyabean complex. An oversold condition in livestock prempted good local shortcover-

NEW YORK, March 12. Copper—March 81.20 (79.25). April 82.30 (80.00), May 83.00-83.50, July 85.40-86.20, Sept. 87.50, Dec. 91.50, Jan. 91.90, March 93.80, May 96.55, July 87.30, Sept. 99.05, Dec. 101.66, Jan. 102.55. Sales 6,500. Sugar—No. 11: May 21.50-21.55 (20.66), July 21.40-21.45 (20.66), Sept. 21.05, Oct. 20.90-20.95, Jan. 19.55-19.75, March 19.90-20.05, May 20.15, July 20.15-20.40, Sales 8,321. Tin—817.0-627.0 (617.0-630.0),

Silvei-March 118-J. (179.); April 1201.0-1200.0 (1183.0), May 1211.0, June 1225.0; Aug. 1255.0. Oct. — Bec. 1315.0, Feb. 1345.0, Oct. April 1375.0, June 1405.0; Aug. 1435.0, Oct. 1465.0, April 1505.0, uJne 1585.0, Aug. — Oct. — Soyabeans—March 731-731½ (715), May 750-752 (735), July 772½-773½, Aug. 781; Sept. 787, Nov. 892-802½; Jan. 821½, March 184; Ill Soyabean Meal—March 205.5 (202.0), May 212.5-212.0 (208.9), July 219.5-219.0, Aug. 222.0, Sept. 225.0, Oct. 226.5-226.0 Dec. 225.7-230.0, Jan. 232.0-232.5, March 236.0-238.0, May — Soyabean Oil — March 23.70 (23.50), May 24.25-24.28 (24.13), July 25.08-25.00, Aug. 25.30-35.35, Sept. 25.50, Oct. 25.75, Dec. 25.33-25.40, Jan. 26.50-26.80, March 27.05-27.10, May 27.65. CHICAGO, March 12. Lard—Chicago loose 19.50 (same). Live Cattle—April 83.50-83.55 (63.15), June 67.30-67.35 (68.75). Aug. 68.07-68.02, Oct. 66.45-66.40, Dec. 67.50-67.55, Feb. 68.20, April 68.75: Live Hogs—April 41.40-41.30 (41.12), June 45.85-45.75 (45.35), July 47.05-47.12, Aug. 46.00-46.25, Oct. 45.20-45.55, Dec. 49.10, Feb. 51.80, April 50.00, June 55.50.

Wednesday's closing prices

### 1940 (1948), May 1981 (1989), July 2031, Sept. 2075, Dec. 2132, March 2187, May 2242, July —, Sales: 639, Coffee—"C" Contract: March 116.50 (118.83), May 118.00-118.20 (119.74), July 120.00, Sept. 121.55-121.65, Dec. 121.00-121.65, March 20.05, May 121.50. 123.00, July 121.00-1222.50. Sales:

Cotton — No. 2: May 87.00-87.25 (87.02), July 87.20-87.40 (86.75), Oct. 85.19, Dec. 82.50-82.70, March 84.00, May 84:00-84.50, July 84.25-84.75; Sejes: 10,000.

*Gold---March 475.2 (482.5), April 477.5-479.0 (485.5), May 483.2, June 487.5-489.5, Aug. 500.0, Oct. 511.8, Dec. 521.5-523.5, Feb. 535.0, April 546.8, June 558.7, Aug. 570.7, Oct. 582.8, Dec. 595.0, Sales: 28,000, Heating oif (cents per U.S. gallon).

April 0,3675 (0,9845), May 0,9630 (0,9650), June 0,96.95, July 0,8730, Aug. 5,930, Sapt. 1,0685 (cer. 1,0730, Aug. 5,930, Sapt. 1,0730, Aug. 5,930, Sapt. 1,0685 (cer. 1,0730, Aug. 5,930, Sapt. 1,0685 (cer. 1,0730, Aug. 5,930, Sapt. 1,0685 (cer. 1,0730, Aug. 5,930, Sapt. 1,0885 (cer. 1,0730, Aug. 5,930, Aug. 5,

27.65. March 27.05-27.10, May 27.05-27.65.

†Wheat — March 431 (4224), May 438-437 (4274). July 437-436, Spr. 4501. Dec. 4707-46912, March 487.

All cents per pound ex-warehouse unless otherwise stated. *S per troy ounce. †Cents per troy ounce. †Cents per troy ounce. †Cents per short ton (2,000 lbs). §SCan. per metric ton. §\$ \$ per 1,000 sq feet. ‡Cents per dozen. ††S per metric ton. Feb. 1.1145, Merch 1.1325. Sales: 2,163. 2, 103.
Orange Juice—March 132.00-132.25
(136.25). May 137.85 (142.85). July 142.30, Sapt. 144.50, Nov. 144.00, Jan. 140.20, March 141.40, May 142.30, 142.50, July 143.20-144.00, Saies: 2.200. 142.50, July 143.20-144.00. Sales: 2.200, "Platinum — March 481.5 (459.0), April 483.0-484.5 (452.1), May — July 481.5-482.0, Oct. 501.0, Jan. 519.9, April 538.9. Sales: 2,444, "Silver — March 1188.5 (1200.0), April 1179.0 (1212.0), May 1182.0-1198.0, July 1221.0-1225.0, Sopt. 1255.0, Dac. 1301.5, Jan. 1317.0, March 1348.0, May 1379.0, July 1410.0, Sept. 1441.0, Dec. 1487.0. Sales: 2,800, Handy and Harman bullion spot 1168.0 (1209.0). May 1378.0. Sales; 2,800. Handy and Harman bullion spot 1168.0 (1209.0). CHICAGO, March 478.0 (482.2). April 475.0 (484.7). June 489.0-488.0, July 501.5, Sept. 505.0. 504.5, Oct. 519.2, Dec. 522.0, Jan. 537.1, March 540.0, April 555.1. WINNIPEG, March 11. SWhear—SCWRS 13.5 wer cent pro-

SWheat SCWRS 13.5 per cent pro-tain content oil St. Lawrence 253.20

guay May, \$298. June/July, \$299.50

Soyamesi—44 por cent protein U.S. All. \$255, March \$263, April \$261, April/ Sept. \$268, Nov./March \$274, Brazil Pellots March \$271.50, April/May 271,

#### **EUROPEAN MARKETS**

ROTTERDAM, March 12.
Wheat-U.S. Two Dark Hard Winter
13.5 per cent April/May/June: \$210. U.S. No. Two Red Winter March \$210. April \$203 May \$206. U.S. No. Two Northern Spring 14 per cent May \$208, June \$209, July/Aug. \$210, Sept. \$211.50.

(0.9650), June 4.56, July 2.76, Aug. 6,9830, Sept. 1.0063, Oct. 1.0275, Nov. 1:0470, Dec. 1.0700, Jan. 1.0820,

April/Sapt. \$277. Maize—AFL \$183.50, March \$182.

April \$162, May \$165, June 167. July/
Sept. \$170, Oct./Dec. 188.

Soyabeans—U.S. Two Yellow Gulfports March \$297.50 traded, \$298.50
selfors, April \$298.75, May \$301.75, June
\$305, July/Aug. \$306, Sept. \$314, Dec.
\$322.50, Jan. \$328, Feb. \$333.75, March
\$335.75. Brazli/Argentina/Uruguay/Para-

#### INDICES

FINANCIAL TIMES Mar, 11 Mar. 10 Month ago Year ago 255,82 256.82 252,42 294,25

(Base: July 1, 1952-100). MOODY'S Mar. 11 Mar. 10 Month ago Year ago

1118.7 1150.7 1159.1 1391.9

(December 31, 1931-100)

Dow Mar. Mer. Month Year Jones 11 10 ago ago Spot 413.03 418.03 423.33 413.51 Fut'ra 423.00 423.49 438.32 436.09 (Average 1924-25-28=100)

DOW JONES

Mar. 12 Mar. 11 M'nth ago Year ago 1706.1 1704.6 1695,9 1735.8 (Baset September 18, 1931-100)

Jewellery for Insurance and Probate Purposes Call 01-629 0458 -26 New Bond Street, London WIY OJY TO THE PROPERTY OF THE PARTY OF

**CLUBS** 

11-3.30 am. Shows at Midnight and 1 am. Mon.-Fri. Closed Saturdays. 01-437 6455.

ver: 2,225 tonnes.					
ZINC	a,m. Official	+ or	p.m. Unoffic'i	+ or	
ash months ment rimw' ts	334.6	£ +1.25 +1 +1.5	3456	£ + .75 + .5	
Morning: Three months 5344.5, 45,					

		£345. Aher-
		Karb: Three
nonths £345.		
		und on cur-
		orward matal
		nb. Tumover:
,950 tonnes.		
<del></del> -	<del></del>	<del></del>

Jumin'm	a.m. Official	+ or -	p.m. Unoffici'i	+or
pot months	£ 649-50 650-1	£ +8 +1.75	£ 647,5-8,5 659-,5	£ -6 -4,75
1, 60, 5 860, 59, nonths 0	9, 60.5. 1 58, 59, 58.	Cerb: 5. A 61, 5	s £664, 63 Three mo fternoon: 1 8, 59.5.	nths Three

closing the late Kerb at £2.805 after a routine day's trading. Turnover 318 toomes.				
NICKEL	a.m. Official	+ or	p.m. Unoffici'i	+•
Spot 5 months	2820-30 2805-15	+17,5 +12,5	2810-20 2800-2	+2.5 5.1

Morning: Three months £2,815. Afternoon: Three months £2,802.

* Cents per pound. ‡ MS per kilo.
† On previous unofficial close.

SILVER Bullion + or LME + or per fixing p.m. Unofficit 

COCOA 

ICCO Fitures—Daily price for March II: 94.02 (95.31); five-day average 94.06

ced.			2011101111101	_
FFEE	Yestarday Close	s + or	Business	April
	2 per tonn		Done	Augu
2h	993-97		1000-99	Dece
In	3013-14		1018-05	Febr
	1026-27		1050-20	April
	1042-44	+6.0	1045-35	Sa
	1042-43	+1.0	1045-37	
	1043-45	3.50	1050-45	-
:h	1040-45		1040	S

Sales: 1,299 (3,196) lots of 5 tonnes. (CO Indicator prices for March 11 (U.S. cants per pound): Other Mild Arabicas 122.33 (122.83); Robustus ICA 1976 113.25 (same): ICA 1968 113.50 (same). University Arabicas unquotad.

HGCA-Locational ex-farm spot prices. Feed barley: S. East \$8.90. S. Wast 99.90, W. Mids. 98.00, N. West

No. 1 Vandeline Previous Business

SOYABEAN MEAL The London market opened with gains of around £1 on commission house buying, reports T. G. Rodick. Prices remained in a narrow range with

DUCAL
LONDON DAILY PRICE-Raw sugar
224.00 (£227.00) a tonne for cif March-
orit shipments. White sugar daily
rice was £266.00 (same).
The market opened around over-
ight prices but selling interest was
acking at the lower levels. Later
ollowing a buy recommendation by a
eding commission house, gains of
nme F1D were recorded renorts C

io. 4 Con- ract	Yest'rdy's Close	Previous Close	Business Done			
ay	255,50-55,96	r tonne 251,50-51,75 227,50-27,75	235_50-24_08 232_58-22.00			
n,	218,00-19,80 218,5-216,75	225,25,25,50 215,00-14,00 215,00-15,50 215,00-15,60	219,60-10,66 217,00-69,50			

Tate and Lyle ex-refinery price for granulated basis white suger was 2342.5 (same) a tonne for home trade and £299.50 (£302.50) for export.
International Suger Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for March 11. Daily price 20.60 (21.01); 15-day average 22.52 (22.70).

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business, seles). Austrelian cents per kilo. Mar. 482.0, 484.0, 486.5-482.0, 60; May 474.0, 475.0, 475.5-471.0, 181; July 483.0, 484.0, 483.5-480.0, 333; Oct. 478.0, 480.480.0-471.0, 125; Dec. 483.0, 484.0, 485.0-479.5, 83; Mar. 488.0, 489.0, 493.0-488.0, 48; May 493.0, 500.0, 501.0-492.0, 25; huly 500.0, 500.0, 507.5-487.0, 18 

LIVERPOOL-Spot and shipment sales amounted to 60 tennas bringing the total for the week so far to 341 tennes. Few additional contracts were confirmed and the rate of demand remained unimpressive. Miscalianeous purchases were mentioned in African paristies as well as North and South variaties as well as North and South

GRIMSSY FISH-Suppy good, temand good. Prices at ship's side (unprocessed) per stone: Shell cod [A.00-£4.60. codlings £2.00-£3.20; Large heddock [4.00-£4.40. medium £3.50-£3.90. emeil 2.60-£3.20; best small plaics £2.60-£3.00; skinned dogfish, small, £5.00-£5.30; lamen sales, large £14.00, medium £12.90; saithe £1.50-£5.

FINANCIAL TIMES STOCK INDICES

# Gilts dominate again and new tap is sold on debut Equity leaders stage impressive rally and close at best

Dealings tions Dealings Day Mar. 2 Mar. 12 Mar. 13 Mar. 23 Mar. 16 Mar. 26 Mar. 27 Mar. 23 Mar. 30 Apr. 8 Apr. 9 Apr. 21.
" New time" dealings may: take place from 8 am two husiness days

Another strong performance by British Funds highlighted the terday, but leading equities were by no means left out of the In the wake of preiminary trading statements from the two oil majors, BP and Shell, the equity leaders extended an earlier technical recovery after Wednesday's sharp post-Budget fall which was assisted by dismal rading results from both Tubes

and Turner and Newall. . The appearance of sizeable investment funds ensured a good debut for the new £15-paid nedium tap stock, Exchequer 12½ per cent 1990, the £1bn issue of which was announced only the previous night. The Government proker supplied stock initially at 15% then at 15% and anally at 15%, remaining open to bids at the last-named price. Other mediums and longs responded strongly before easing a shade in the late afternoon. Final gains, however, to 55p, while Eglingto still ranged to 3, after a point or so in places Many stocks in level of 112p to 115p. the 1986/92 area, however, were ilightly easier, being overshadowed by the presence of the new tap which closed at 15 fs. Largely technical at first, the ally in the equity leaders ventually triggered institutional Some useful support

NEW HIGHS (41)

INDUSTRIALS (6)

TRUSTS (2)

**EQUITY GROUPS** & SUB-SECTIONS

stocks per section

Building Materials (26)

Engineering Contractors (11)...

Mechanical Engineering (72)..... Metals and Metal Forming (13)...

Motors (21) Other Industrial Materials (16)

Health and Household Products (7)

Brewers and Distillers (20). Food Manufacturing (22).... Food Retailing (14)

Newspapers, Publishing (12) ... Packaging and Paper (15) ....

Stores (44).... Textiles (21).

Other Consumer (17).

Office Equipment (6)

Banks(6) ______ Discount Houses (10),

Hire Purchase (4).

5-15 years.

FIXED INTEREST PRICE INDICES

+6.08

+8.54

+8.68

+8.22

15 20-yr. Red. Deb. & Loans (15) 52.70 114.05 52.69

114.91

126.95

111.56

108.71

127,RL

Investment Trust Prefs. (15)

FINANCIAL ERCUP (118).

Insurance (Life) (1.0)
Insurance (Composite) (9)
Insurance Brokers (9)
Merchant Banks (13)

irescent Japan Haw Par OVERSEAS TRADERS (1)

ction
NEWSPAPERS (2)
) Sharee (W. N.)
PAPER (2)
Watmoughs
PROPERTY (2)
.) New Cavendish

cals and the overall advance share index 11 points up at the day's best of 481.0, thus erasing much of Wednesday's sharp fall of 143.

Oils were extremely lively, interest here being enlivened by pleasing annual results from both BP and Shell, coupled with speculation in front of the Seventh round of North Sea licences, which became known in Seventh round of North Sea Friday. Barclays also ended 10 licences, which became known in the after-hours' dealings Stores Lloyds hardened 5 to 302p. shrugged aside recent consumer spending fears and Banks also put on a better performance after the recent sharp setback ahead than-expected results. Refuge of and after the Budget imposi- advanced 8 to 230p on the intion of a "windfall profits" tax.

Banks rally

Four New Issues made their debuts yesterday and first-time dealings in TR Energy were disappointing; expected to command a premium of between 10 and 20, the shares opened at 103p and slipped to 93p before closing at the offer price of 100p. Cystic Fibrosis Research Investment Trust staged a rather more successful debut; also offered at 100p, CFRIT opened at 105p and settled at 108p. New Darien Oil Warrants began at 44p and rose to 55p, while Eglington Oil and Gas improved from a starting

Traded options completed, amounted to 1,379 with the level of business being bolstered by an active trade in BP, which recorded 525 deals helped the full-year results; April positions were particularly active with the 390's and 420's accounting for was reported in selected areas 150 and 198 contracts respec-

NEW LOWS (13);

ELECTRICALS (1)

ENGINEERING (3)

MOTORS (2)

MINES (1)

RISES AND FALLS

YESTERDAY

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries

and the Faculty of Actuaries

Thurs., March 12, 1981

17.03 18.90

18.25

13.62 15.61

17*.5*3

17.57

42.43

12.93

245

216

1.78

50.97 13,28 51,01

17 Coml. and Indl. Prefs. (20) 68.70 13.10 68.45 68.20 68.20 68.20 68.50 58.50 58.54 61.43

5.25 6.36 5.27 2.58 6.31 6.79

6.92 7.00

9.27 7.02 6.36

6.95 5.71

11.47 8.01 6.56 4.39

384.71 267.96 483.49

992.18 418.16

182.66

142.46 87.48

252.52 358.15 437.87

120 71

8.70 312.69 7.77 238.16 6.77 259.97 6.75 219.96 11.67 440.89

4.39 | 120.11 10.86 | 240.11 7.09 | 138.64 4.31 | 213.15 12.48 | 257.52 8.30 | 263.82 9.51 | 299.87 6.82 | 105.27 9.41 | 568.98 7.34 | 265.20

______ 240,42 2.86 220,84

5.19 — 7.45 — 6.82 10.56 5.31 — 2.65 43.51 5.28 8.24

5.39 6.06 6.74

Mar. 10

52.36 52.56

252.32 158.28

339.87 340.13 146.99 151.99 471.08 477.21 174.99 173.56

287.17 289.54 216.82 222.64 436.42 441.08

255.23 159.83

+1.8 +1.3 -0.1 +2.4

+1.2 +1.4 +0.8

+1.6

+0.9 +1.5 +1.4 +0.9 +0.7

1015.97

88.17 323.19 241.93

Rowton Hotels

NEWSPAPERS (1)
Haynes Publishing

inancial and Prop.

**NEW HIGHS AND LOWS FOR 1980/81** 

Regaining composure after the recent setback home banks gained 10 and 8 respectively. closed with improvements ranging to 10, largely because of at 186p, retrieved 7 of the pre-technical considerations. Midland and NatWest, reportedly the two clearers to be affected most by the "windfall profits" levy, rallied 10 apiece to 320p and 352p respectively; Midland's pre-liminary results are due next results are due next

Firmer Insurances featured by Britannic, which rose 14 to 264p in response to bettercreased dividend, while Prudential improved 3 in sympathy to

Breweries were selectively firm and Bass added 3 at 203p, while Greenall Whitley rose 4 to 111p. M.D.W., a few pence firmer initially, fell sharply in the late dealings to close a net 8 down at 80p following the statement that the approach to the company was unlikely to lead to a bid. Other Buildings made further good progress. Blue Circle firmed 8 to 372p, while Redland, 167p, and Tarmac, 298p, gained 6 apiece. Demand in a

Tunnel "B" 14 to 334p.

News that ICI had been surssful in its application for new North Sea licences helped the shares close 4 dearer at 238p.

#### Stores better

fears of a squeeze on consumer reply to better-than-expected spending. Stores rallied to close with gains ranging to 10. GUS "A" closed that much dearer at 453p, while Burton rose 7 to Woolworth drew strength from Wednesday's annual results and firmed 2½ to 58½p. Secondary issues also turned selectively firmer. J. Hepworth advanced 6 to 98p and Harris Queensway added a like amount at 178p. of the offer was announced late In Shoes, Strong and Fisher fell and appeared to have little 4 to 58p following news of the impact.

Early bear-covering followed BTR pleases by sporadic institutional demand Technical cons helped the Electrical leaders to retrieve the previous day's sharp falls. GEC rebounded 18 to 643p, while Plessey rallied 8 to 316p as did Thorn EMI, to 304p. Racal closed 6 higher at 350p. Elsewhere, Standard Telephones and Cables rose 15 to 492p ahead of next Friday's preliminary figures. Sound Diffusion rose 5 to 87p on the proposed acquisition of the two companies which manufacture and service its products, together with the repurchase of two customer rental contracts from a finance company, both deals being subject to share-holders approval. Electrocompo-

Tues., March 10

309.22 279.27 483.50 1008.08 414.11 186.47

147.13 89.40

294.84 266.41 224.94 448.30 258.36 363.52 444.89 124.03

Moe., March 9

268,88 484,29

1002.48 412.50

Fri., March 6

240.42

221.25 128.40

370.35 128.61

192.05

13.04 13.04

15.00

14.63 14.43

15.13 14.95 14.84

1012.05 620.77 414.22 279.23

247.89

269.22 247.59 249.13 271.05 224.27 225.97 449.31 451.42 257.88 260.07 348.94 344.32

445.74 450.22 123.21 126.10 251.72 256.46 140.78 143.41 216.96 216.19

243.28 244.83 225.99 228.54

299.22 982.76 235.29 238.63

474.12 476.51 173.62 175.90

1217 1234

12.98

13-51

12.98 13.90

13.71

11.63

288.76 217.33 441.18

**— 289.45 | 295.23 | 295.39 | 298.66 | 251.83** 

Thurs. March 12

12.14 12.29

13.00

13,64 13,42

13.00 13.57

13.66

52.39 52.42 52.41 52.40 49.58

51,01 51,01 51.01 51.01 51.06 51.06 47.70

124.03 123.21 126.10 250.34 251.72 256.46 140.35 140.78 143.41 215.96 216.96 216.19 258.84 259.42 261.73 209.89 209.12 219.95 249.91 248.94 251.74 109.19 107.36 108.74

578.59 279.20

tinued firmly, closing a further 2 higher at 61p ahead of Wednesday's results. Johnson Matthey found support at 232p, up 8, and Sothebys railied 7 at 470p. followed news of the slashed final dividend and annual profits slump. British Aluminium rallied a similar amount to 103p. Other

Engineering majors staged a modest rally with Hawker closing 6 higher at 280p and John Brown 3 better at 741p. GKN, results due next Wednesday, improved 3 at 136p as did Vickers at 157p. Elsewhere, Motors generally closed a added 4 at 280p, but Imperial couple of pence firmer. Among eased a fraction further to 68p. Davies and Metcalfe "A" gained 4 to 21p, after 22p, in response to the increased dividend and

trebled profits, while Haden Carrier added 8 afresh to 220p on revived demand in a thin market. Habit Precision hardened a penny to 12p on the satisfactory figures and Bronx edged forward a similar amount to 14p ahead of Tuesday's preliminary statement. Stone Platt stood at its par-value of 25p when dealings were suspended at the Board's request prior to the after-hours' announcement of refinancing

Opening around 10 lower following a Press suggestion that S. and W. Berisford's bid for the company would be vetoed by Monopolies Commission, British Sugar attracted a steady demand and closed unchanged on the day at 262p; Berisford firmed 5 to 1660. Elsewhere in the Food sector, United Biscuits rose A dull sector on post-Budget 12 to a 1980-81 peak of 93p in preliminary results. Unigate,

104p, and Associated British

Foods, 121p, firmed 3 apiece fol-

lowing the seventh round North Sea licence awards. Savoy "A" jumped 40 to 165p and the "B" shares 200 to 975p after the bid from Trusthouse Forte, which settled a penny firmer at 195p. Savoy's rejection

Technical considerations and BP's pleasing results helped the miscellaneous industrial leaders stage a good rally. Unilever rose 7 to 482p and Pilkington picked up 6 to 282p, while Boots recovered 5 to 224p. Turner and Newall at 741p, retrieved the previous day's decline of 4 which followed the abysmal results. Elsewhere, BTR stood out with a jump of 33 to 436p in response the better-than-expected results and proposed 50 per cent scrip-issue. Good preliminary figures also helped Nu-Swift rise

44 to 27p and Stocklake add 6 to

Boosey and Hawkes put on 7 in Bond Street Fabrics were su

sales of brass instruments to Japan Elsewhere in the Leisure sector, Horizon Travel revived 8

Components, Dowly added 4 at 240p, while Automotive Products Kennecott suspended

rose 3 to 46p. William Collins continued to benefit from the return to profit-ability and added 2 more at 150p; the A gained 3 to 110p. Richard Clay, 50p, and East Lan-cashire Paper, 54p, shed 3 and 1 respectively following substantially reduced annual earnings, but renewed interest lifted BPC

Secondary issues were often the focal points in Properties. New Cavendish Estates gained 40 to 370p in a thin market, while Thames Investment rose 10 to

#### BP and Shell please

Oils displayed widespread, and sometimes substantial, gains following better-than-expected pre-liminary trading statements from British Petroleum and Shell, and the announcement of the seventh North Sea licence awards. Trading became quite hectic after-hours and British Petroleum settled at 408p, up 22 on the day, while Shell ended 26 up at 418p, Royal Dutch gained to £191. Lasmo advanced 40 to 625p, while Tricentrol rose 16 to 298p and Ultramar 10 to 505p. Candecca registered a gain of 10, at 228p, and Clyde one of 50, at 830p. I C Gas put on 11 at 233p and Cluff 15 at 390p, while NCC Energy firmed 6 to 124p, the ast-named pending bid developments. KCA International im proved 8 to 190p. Elsewhere, Global Natural Resources advanced 50 to 500p following the

latest drilling report.
United City Merchants added a penny at 23p following the mid-term statement. Elsewhere in Overseas Traders, good specu lative support lifted Boustead 22 to 173p, but Thomas Borthwick shed a couple of pence to 23p.

Reardon Smith issues attracted renewed speculative buying and more than recovered the losses sustained on Wednesday; the

#### Ordinary spurted 15 to 173p and Speculative buying on revived takeover rumours left to 130p, while James Fisher, Howard Teneus up 5 at 63p, annual results due on Monday, while New Equipment added 3 firmed 3 to 173p. Small irregular movements to 17p on the favourable annual **ACTIVE STOCKS** pence 179 · 495 625 585 234 382 308 GKN ......... NatWest Bk. ... Closing price pence 436 224 408 262 625 316 penca 350 418 195 186 505 93 **OPTIONS** Newall, FNFC, London Invest-For ment Trust, Marks and Spencer, French Kier, Lex Service, Courtanids, Gulf Stream, Char-ternall, Bowater, William Press, Town and City Properties, BP, tion ment Mar. 9 Mar. 20 June 11 June 22 Mar. 23 Apr. 3 June 25 July 6 Apr. 6 Apr. 17 July 9 July 20 or rate indications see end of Share Information Service Petroleum. No puts were Stocks favoured for the call reported, but a double was For rate indications see end of included ICL. Turner and arranged in ICL. RECENT ISSUES **EQUITIES** 1354 **Crest intScs Np..... 1554 05 Cystic FibR Inv Tat£1 108 F.P. 16/2 **FIXED INTEREST STOCKS**

| 12½ | 11½ Bristol Water 82 Red. Pref '86 | 12½ | 22 | 20½ | coland 14½ 016 | 21½ | 112 | 102 | Mid-Sussex Water 82 Pref. 1986 | 103½ | 159p | 147p | Sterling Credit 82 Cnv. Red. Cum. Prf. 153p | 12½ | 12½ Sutton District Water 82 Pref. | 12½ | 11pm | 9µm'Yorks Fine Wooll'12 Cum. Red. Cnv.Prf | 9pm 121₂ .... 211₂ —1₂ 1021₂ .... 153p .... "RIGHTS" OFFERS High | Low 128 p F.P.127/2 27/5 154 p F.P. 9/3 22/5 8A9 Nii -60 F.P. 16/2 27/5 45p F.P. 9/3 3/4 320 F.P. 123/1 20/8

Renunciation date usually last day for dealing free of stamp duty, b Figures based on prospectus estimate. g Assumed dividend and yield, a Forecast dividend: cover based on previous year's samings. F Dividend and yield based on prospectus or other official estimate for 1979. Q Gross. T Figures assumed. § Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pance unless otherwise indicated. I issued by rander. § Offered to holders of ordinary shares as a "rights." Susued by way of capitalization. §§ Reintroduced. It issued to consection with reorganisation, merger or takeover. §§ Introduction. ☐ Issued to former preference holders. § Allotment letters (or fully-paid). © Provisional or partly-paid allotment letters. ★ With warrants. ft Dealings under special Rule. § Unlisted Securities Market. ‡t London Listing. § Resulting from debt settlement scheme. §; Units comprising 125 A Ord. & 6 12-% Cum. Pref.

nents rose 28 to 6550, while figures, J. Hewitt (Fenton) con- were the order of the day in Textiles. Corah added a penny to 36 p despite the halved preliminary profits, while revive speculative support lifted David Dixon 4 to 122p. S. Lyles, how-Down 10 the previous day in a ever, shed 4 at 52p following shock reaction to the disastrous adverse comment, while lack of preliminary figures, Pentos support lowered Leeds and Disputed 3 to 22p trict Dvers 3 to 57p. Dealings to 140p following reports that pended at 34p pending an the company had increased its announcement; the company is currently in receipt of an offer from Grovebell worth 28p per

Hard on the heels of the takebe the possible bidders.

St. Joe Minerals closed at £203. compared with a presuspension price of £14, following the \$45 a share bid from Seagram, while AMAX, currently being bid

Tobaccos were mixed. Bats

over bids for AMAX and St. Joe Minerals, America's Kennecott became the latest subject of takeover speculation as the com-pany's shares moved up to £12; London and New York Kennecott, the largest copper producer the U.S., closed at £11 in overnight American markets, where Sohio were rumoured to

for by Standard Oil of Califor-nia, rose £1½ to £25½. and Transvaal Consolidated Land up a half-point apiece at £11¾ Activity in South African and £21½ respectively.

68.36 68,61 . Sovernment Secs.... 69.56 69.49 68,75 68,61 71.56 71.40 70.57 70.58 70.59 70.66 54.62 Fixed Interest. 470.0 484.3 483.5 489.1 481.0 319.0 516.7 329.4 519.1 809.6 300.4 7.95 7.80 7.11 7.10 7.27 6.97 Ord. Div. Yield .... 16,09 15,64 15,68 7,66 7,88 7,86 Earnings, Yld. %(full) 15.27 8.04 PIE Ratio (net) (*)----Total Bargains....... 21,783 21,797 22,877 24,098 26 28424,171 18,469 164 10 91.86 107.57 140.81 121.35 87.49 Equity turnover £m. 15,813 17,423 19,592 12,742 19,831 14,008 Equity barg natotal 10 am 471.2: 11 em 473.3. Noon 474.3. 1 pm 474.3. 2 pm 477.3. 3 pm 477.4. Lettest index 01-246 8026. Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Indistrict Ord. 1/1/35. Gold Mines 12/8/55. SE Activity 1974.

410	ahs /	ND 1	LOWS		S.E. AC	TIVITY
·	1980/81		SinceCompilet's		and the second	
	High	Low	High		نسينا	Mar. Il Mar. 10
Govt Seas.	72.54 (21/7/80)	63,85 (7/8/90)	127.4	49,18 (8/1/76)	Daily Gut Edged Bargains Equities	1 1 1 Nov.
rd.Ord	74.08 (24/7/80) 515.9	406,9	150.4 (28/11/47) 558.6	49.4	Bargeine	100 T
Gold Mines.	(21/11/60) 559_9 (22/8/60)	(3/1)80) 265,5 (18/3/80)	558.3	Spielani	Bargains Equities : 3 Bargains	117.1 122.5
	' <u>-</u>		<u> </u>	<u>'                                    </u>	Va ve	259-9, 294.4

remained at minimal levels. The marginal rise in the general · buying interest and the Gold Mines index responded with a 2.3 rise to 319.0. Financials made modest pro-

gress. In South Africans "Amgold" advanced ? to £39 Africans. following the more than doubled dividend and profits. Coals gained ground with "Amcoal"

London Financials were featured by late strength in RTZ following the bid approach for Kennecott, speculation that RTZ could be the next major copper producer to attract a bid from one of the oil majors lifted RTZ 16 to 4430. Australians turned easier on

light profit-taking prompted by a minor decline in overnight domestic markets. Meekatharra returned from suspension at 275p compared with the pre-suspension price of 3800.

#### UNIT TRUST SERVICE

# OFFSHORE &

Emsen & Dudley Tst. Mgt. Jesy. Ltd. P.O. Box 73, St. Helier, Jessey. 0534 73933

jer, Jersey. 0534 79953 ...|1526 163.8| ......| 2.20

Free World Fund Ltd.

HM-Samuel & Co. (Guernsey) Ltd. 8:Lefebre St., St. Peter Part, Guernsey, C.I. Guernsey Tst., 201.6;+1.9; 3.21

Jardine Fleming & Co. Ltd.
46th Floor, Companyin Centre, Hon
Jardine Jon, Fd. 72,208
De. (Accust) 72,276
Jr. Japan Small Co. 72,276

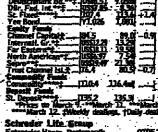
(Accum.) dine Flem Int...... Sine S.E.A. Our &Bd.Fd.(Inc.)

Christian Constitution (Constitution of Constitution of Cons

M & G Greup
Tirree Quays, Tower Hill EC3R 6BQ. 01-626 4588
Aliantic March 10. USS 687 7-31 ——
Aust. Ex. March 11. USS 687 3-25 ——
Geld Ex. forc. Mar. 11 USS 68 52 57 ——
Geld Ex. Acc. USS 68 52 52 57 ——
Geld Ex. Acc. USS 68 52 52 57 ——
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Geld Ex. Acc. USS 68 52 52 57 ——
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Geld Ex. Acc. USS 68 52 52 57 ——
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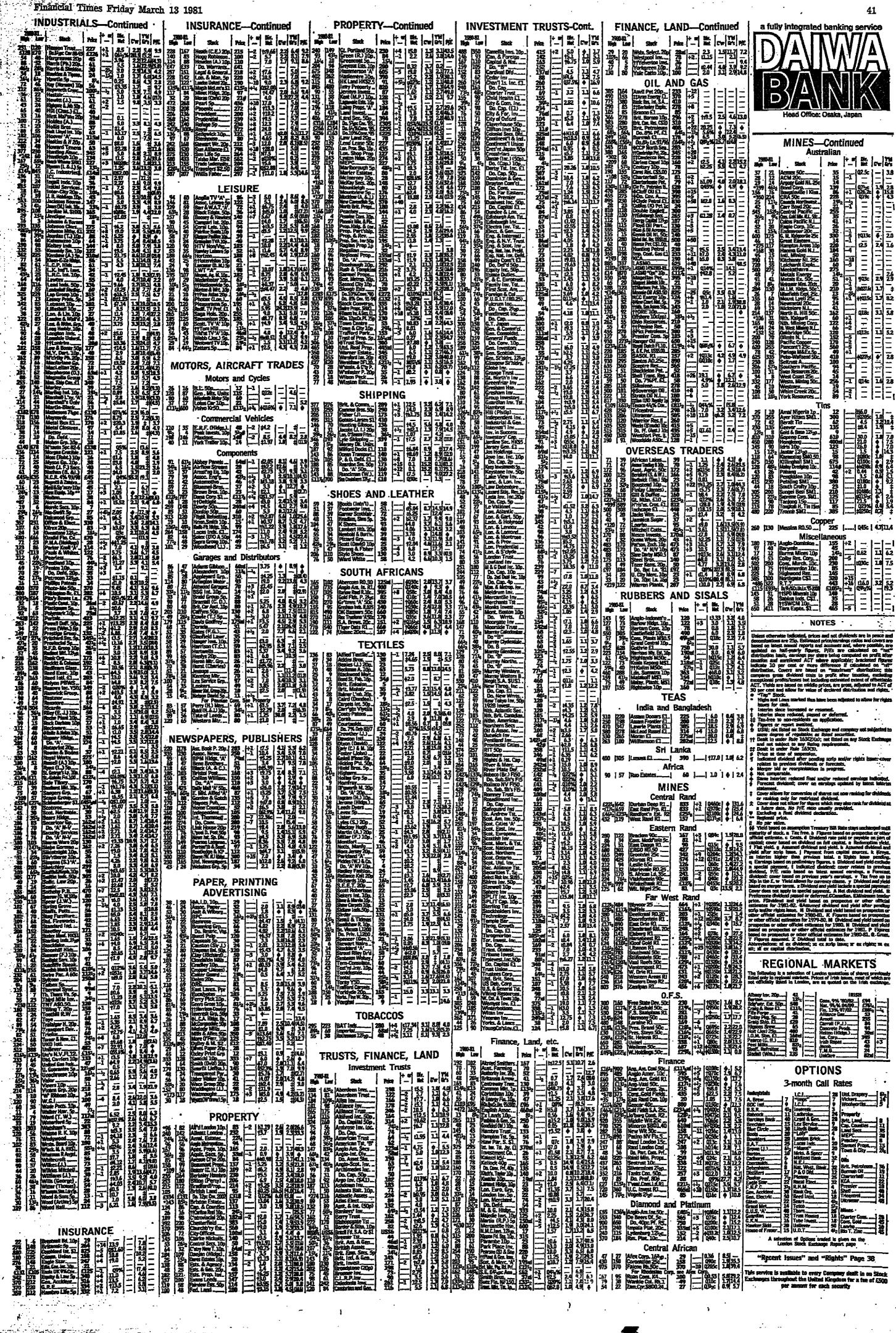
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Bank of England consultative paper

# Switch in money market emphasis

THE FINANCIAL requirements imposed on banks and discount houses operating in the London mony market will change over the next few months as part of the move towards a system where short-term interest rates are fixed more by market

The Bank of England yesterday published a consultative paper on the next steps in monetary control which proposes changes in the scope of the cash ratio observed by banks and in the range of banks whose bills are acceptable in money market operations.

The intention is to move to a

system where the Bank of England tries to keep very short-term interest rates within an unpublished band, leading the phasing out of an announced Minimum Lending

This will allow the market will still have a major influence. Its decisions about the unpublished band will continue to take account of changes in "a whole range of monetary indi-

DEMAND for gilt-edged stocks remained heavy yesterday. Between a third and a half of the new medium-dated tap stock was sold. The Government Broker sold the stock—Exchequer was sold. The Government into a sold and a sold and a sold at \$15% per cent in its partity-paid form. Following the self-out of the 1999 stock on Wednesday, this means that the Bank has tied up over \$14bn worth of funding in the last two days. Existing gilt rose by up to £1 yesterday.

Bank document details, Page 14 Stock Exchange report, Page 38

liabilities.

issue of whether to adopt a system of monetary base control. This would involve linking interest rate decisions to the growth of the banks' cash base which can include their deposits at the Bank of England and notes and coin.

more scope, although the Bank such a move, if it should be agreed, and to be desirable in their own right.

There are two main Bank proposals. The first involves the able income from the nonsuggestion that the present requirement that the London

This move leaves open for clearing banks keep 11 per cent later decision the controversial of their eligible liabilities most of their deposits-in non-Bank should be extended to all recognised banks though the ratio would be equivalent to not more than 1 per cent of

This requirement is known as The latest proposals are the cash ratio and is regarded intended to be consistent with as the fulcrum for money market management.

The preservation of the ratio in a modified form ensures that the Bank will retain a sizeinterest-bearing accounts which around £41bn of similar funds

This means that the Bank is not dependent on Treasury finance The second main proposal

sufficiently large market in Treasury, local authority and commercial bills to allow the Bank of England to operate from day-to-day to keep interest rates within the unpublished

The Bank is proposing to broaden the range of banks whose bills are accepted in these operations from the present group of leading British clearing and merchant banks. But the criteria for foreign and other banks will be strict. The Bank intends to link the

extension of eligibility to an undertaking to make available funds to allow the discount market to function and maintain a broad market in bills. This might involve an assured average level of around £3bn, or around 5 per cent of the eligible liabilities of major British and foreign This compares with

# Stiff proposals on liquidity are modified

BY MICHAEL LAFFERTY AND DAVID MARSH

THE BANK of England has undelined its flexible approach on banking supervision by modifying its previsualy stiff proposals for controlling the volume of liquidity banks have to hold to cover their deposits.

Its revised strategy is set out in a discussion paper, The Liquidity of Banks, published yesterday, which emphasises that the prime responsibility for regulating banking liquidity lies with a

bank's own management. The Bank has dropped its earlier idea of imposing strict across-the-board regulations for the volume of liquid assets which banks have to maintain against deposits. However, the Bank still em-

phasises that it wants to develop comprehensive measurements of liquidity which can be monitored to ensure that individual banks are sound.

It will be carrying out detailed consultations with the banks over the next few months to determine a Common basis of liquidity measurement which can be adapted to the type of business operated by different banks. These discussions will eventually result in the publication of a further, more definitive, document on liquid-

ity within a year. The Bank touched off considerable controversy among British and foreign banks in the City when it brought out Although the paper was

consultative, and the Bank stressed its willingness to change the detailed proposals, it suggested tough rules for the amount of liquid assets to be held by banks to cover set percentages of their different types of deposits. ...

Banks immediately complained that the proposals, if implemented, would raise the cost of finance for industrial and other borrowers, distort competition and drive business overseas.

Yesterday's document emphasised that the Bank will continue regular contacts with banks to make sure prudent policies are followed.

aging director of merchant bank Singer and Friedlander and chairman of the executive committee of the British Bankers Association, wel-comed the "great change in the tone, language and content" of the second liquidity document. He looked forward to further liquidity discussions with the Bank" in a much more relaxed attitude.

American banks were particularly critical of the earlier paper. But Mr. Francesco Redi, senior vice president in charge of treasury operations at Citibank UK, said he was pleased the Bank was not setting a fixed percentage liquidity requirement, and was going to discuss individual hanks' needs.

#### Union action to hit tax centres

By Philip Bassett, Labour Staff

CIVIL SERVICE union leaders will announce today selective industrial action at two key Inland Revenue computer centres responsible for processing employers' Pay As You Earn contributions and Corporation Tax receipts.

This spreading of the action over the civil servants' 15 per cent pay claim will follow disruption this weekend to passenger and cargo traffic at London Heathrow and other airports, and strikes on Mersey-side in protest at the threatened suspension of four junior Customs and Excise staff for refusing to work normally.

The tax computer centres which the Council of Civil Service Unions will announce action at are at Shipley, Yorks and Cumbernauld, Scotland. The move represents an extension of the action in force at the Value Added Tax computer centre at Southend, Essex, which disrupt designed to

Government revenue. No VAT payments received this week at Southend have been processed, and no revenue banked. The centre handles net about £250m a week. The two Inland Revenue centres together normally handle more than £500m a week.

A halting of the Revenue payments, with the non-process-ing of VAT, if sustained for several weeks could begin to have a serious effect on Govern-ment cash flow and could force an increase in central borrow-

ing to cover the delay.

More than 1,000 Customs and
Immigration staff at Heathrow and the Edinburgh, Glasgow Prestwick, Sunburgh and Aberdeen airports today will begin three days of unusually strict enforcement of customs law and regulations. The unions predict this will cause long delays to passengers, particularly at early morning peak periods. Customs officials will examine

passengers declaring goods much more rigorously than normal, and will increase the number of spot checks on passengers not declaring any thing. Immigration officials will delay departures by full examinations of travel docu-

Two hundred Customs staff in the cargo sheds at Heath-row will begin an indefinite work to rule from today, which the unions claim will seriously slow the clearance of vital

Four Customs and Excise clerical assistants in Liverpool were brought out by the unions on 85 per cent of gross pay in response to warnings from local management that they would be suspended for refusing to stamp forms left unprocessed by the unious' freight blockade of Ireland.

# **Independents threaten steel talks**

RY CHES MEDIDITE IN RUISSELS

makers to take part.

Dr. Willy Korf, president of the newly-formed European capacity of 20m tonnes a year.
Independent Steelworks Associa- He said the loss-making steel tion (EISA), said yesterday that invitations from Eurofer, the 'club" grouping the major state-owned steelmakers, to take part in talks in Brussels on March 20 have been turned

Negotiations are aimed at covering the whole of the European industry. They follow the April 1 deadline for a pact set by the EEC Council of Ministers when it met last week.

EMERGENCY TALKS on an Dr. Korf made it plain during All these producers have been EEC steel industry rescue plan the formal launching of the controlled under the EEC's com-are being jeopardised by the association, which will be based pulsory production output refusal of independent steel in Brussels, that its 70 members regime which expires on June will resist any pressures to cut 30 and is due to be replaced by their combined steelmaking a vokuntary pact. capacity of 20m tonnes a year. The association represents a He said the loss-making steel giants in Eurofer should first meet to make acceptable pro-

posals on a new regime to the association. The hardline stance by the independent steelmakers comes days after M. Emmanuel Tesch, Eurofer's president who heads agreeing a new pact on volun- Luxembourg's. Arbed group, tary steel production curbs said any new voluntary deal would need to span the 330 independent concerns which, with the major state-controlled

significant proportion of the smaller EEC producers. Its members include 61 of Italy's privately-owned Bresciani companies, and the UK-based Sheerness Steel, Manchester Steel and Asphasteel companies.

West Germany's Korf-Stahl with Métallurgique de Normandie and their jointly-owned French subsidiary, Aciéries de Montereau, are key members, as are Belgium's Boel and Clabecq companies and Greece's Halyvourgiki.

Italy revises rescue plan, Page 2

# Iran claims account may move

producers, make up the Euro-

pean steel industry.

BY DAVID BUCHAN IN WASHINGTON

Settlements in Basile, owned pain in the neck." jointly by most of the world's The Bank of leading central banks, has been asked by the U.S. to take over the handling of the special escrow account set up following the U.S.-Iran hostage deal. The account is used to pay compensation to American companies following claims against

The account was opened at the Bank of England, which played a major role in the hostage agreement. However it has been clear for some time that, as one U.S. official put it, the Bank of England had discovered in administering two other accounts that the Iranian

THE BANK for International assets question was "an endless President Jimmy Carter, said

The Bank of England is handling two other accounts of Iranian financial assets to repay U.S. and Western bank loans to Iran as part of the biggest financial deal in history. The Bank decided last month to wash

its hands of the third account due to hold Iranian assets in domestic branches of U.S. banks. This account is likely to lead to the most controversy because of the large numbers of contested claims against Iran.

Officials in the Reagan Administration which has not in general been speedy to implement the hostage deal it reluctantly inherited from former

yesterday there was no im-mediate urgency in setting up the third account

The January 20 accord with Iran said the account should be set up within 30 days, and a minimum of \$1bn (£452m) paid in from U.S.-held Iranian assets within six months.

When the Bank of England formally washed its hands of this account, U.S. officials put its action down to wariness of the political implications of handling these funds, unwillingness to get involved in legal battles, and a feeling that the low administration fees did not justify the bother. Iran ceasefire "impossible,"

# Tories press Thatcher Continued from Page 1

felt particularly severely, is to give the Government a chance to change its mind.

The main attack on the proposal will be launched during the Committee Stage of the Finance Bill implementing the Budget provisions.

He said that increased public spending had to be paid for by higher taxation, since borrow-

Peter Riddell, Economics ing more would mean higher Correspondent, writes: Mr. interest rates, or if monetary Nigel Lawson, Financial Secregrowth was higher, a more tary to the Treasury, strongly attacked criticism of the Budget

rapid rate of inflation. The Budget was not contrac-tionary, judged by the yardstick tion compared with the new

of the underlying rate of infla-

#### City rallies

since 1977 and following serious failures with Bond Worth and Brittains, two com-panies which collapsed shortly after ECI invested in them, ECI is to take a minimum 10 per cent stake in Stone-Platt for

Finance Corporation for Industry, a similar investment vehicle to ECI, but owned by the banks, will inject film for a minimum 5 per cent holding. Both it and ECI are underwith Hill Samuel,

#### Continued from Page 1

similar amounts as part of a says they "must make their own special £7m issue of a new class judgments whether to take the of ordinary shares:

Teading institutional share the company's "taxing object the company's "taxing object. of ordinary shares: Leading institutional share-holders among them Prudential with 8.1 per cent, M and G Investment with 8.3 per cent, Legal and General and British Airways pension fund, have sub-underwritten the remainder. The Issue is not being struc-tured as a normal rights issue, although it will be offered to shareholders. "For individual

shareholders it is a risk," Mr.

In a letter to shareholders he

The lead institutions yester

day claimed to be whole-heartedly committed "to the company's prospects and new management. Nevertheless, few of them intend at the moment to apply for shares as shareholders in addition to the amounts they have committed

#### Smedley-HP in talks on canning

merger

THE LARGEST fruit and vege table food canning company in the UK could be formed as a result of rationalisation talks between Tozer Kemsley and Willhourn (Holdings), the Millbourn (Holdings), the international finance and investment group, and Smedley-HP Foods, a subsidiary of Imperial

Tozer Kemsley which princi-pally cans own-label brands, and pany cans own-raner braises, and Smedley-HP, said yesterday that discussions taking place are expected to lead to the amalga-mation of the first and vegetable canning interests of the two groups, forming a new company which will be owned equally by the two.

Subject to final agreement the new company will have a turnover of approximately £50m

Ownership of the brand name HP by Smedley will remain

TKM's canning interests have been loss-makings and the group has wanted to offset the wors effects of the industry's recession. Canning is suffering from severe over capacity.

Lockwood Foods, a leading UK fruit and vegetable cannel with about 30 per cent of the market, called in a receiver last week. More than 1,2000 jobs are at stake.

Earlier this year Swedley-HP announced the closeure of its canning factory at Wisbech, Cambridgeshire, with the possible loss of 480 jobs. This followed two years of other factory

If the latest deal goes through, the Swedley cannery at Wisbech, due to close on April will continue to operate.

The new combined operation could become the lading townlabel producer of canned fruit and vegetable products for supermarket groups. The new company will also have an influential brand through the Smedley connection which will be supported by Tozer Kem-sley's links with group's like

#### Weather

UK TUDAY Most areas will have showers. Patchy sunshine. London, S.E., W. Central and N.W. England

Sunny periods, some heavy rain later. Max. 13C (55F). E. England, S. Scotland Showers and some heavy rain

at first, sunny periods deve-loping, Max. 12C (54F). Best of UK including Channel isles and Isle of Man

Some sunny intervals, occashowers becoming sional heavy and thundery in places. Colder later, Max. 10C (50F). Outlook: Sunny periods and showers Rather cold in north.

WORLDWIDE

Y'day midday

Y'day nidday

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#### Cuts at farm training board

THE Agricultural Training Board will have to cut back its activities in 1981-82 as part of Government's economy

It has been given a cash limit of £7m for the coming year against thta £8m it needed to maintain the real value of its 1980-81 allocation, The Board will consider modificationst o its policies and pro-

grammes at a meeting on March

THE LEX COLUMN

# Oil's rough waters downstream

Yesterday's results from Bl in current conditions anything downstream of an oil well is a heavy liability. Although the actual figures are only separated lost £135m—the refining and marketing businesses in Europe must also be in a bad way. No wonder, then that the BP subsidiary Sohio seems on the point of joining in the oil industry's scramble to acquire other mineral assets hot on

AMAX. Both groups report lower net income, although the fall is more modest after stripping out stock profits. Thus underlying net income at Shell is down 13 per cent at £1.52bn, and BP's current cost net income has slipped from £602m to £577m. Volumes have been under severe pressure, with product sales down by 8 per cent for Shell outside North America and by 9 per cent for BP. Naturally, the groups com-plain about the continuing availability of cheap crude to the Aramco partners though at

least supplies of crude to the spot market have greatly im-proved in the past few months. The scare over Shell Trans-. port's dividend proved un-founded, with the final fractionally ahead of the corresponding payment last time excluding a special element. So the total is up 1.8 per cent, which admittedly looks pale by comparison with the 11.8 per cent rise in guilder terms at

increase at BP. The trading outlook for the current year continues to look difficult, however. The \$4 Bali crude price rise could push some stock profits into the first quarter, but a lot of hard work will have to be done to recover this in the market place and thus restore the current margin.

Royal Dutch and the 16 per cent

Yesterday's list of awards in BTR's share price surged to proceeds of which she will be the Seventh Round of North Sea a new high yesterday, following able to support herself.

out for chemicals—where the of the taste of the oil boom.
Shell group lost £72m outside
North America in 1980 and BP sagged to a discount on first of the taste of the oil boom. sagged to a discount on first dealings, a sign of saturation at last in this sector. Savoy/THF

The Board of the Savoy Hotel

has always been able to fend off unwelcome approaches in the heels of Socal's offer for the past through the complicated structure of "A" and "B" shares which has probably allowed it to control about 45 per cent of the votes. But in the Trust House Forte offer proposed yesterday this struc-ture seems to have been turned against it. The operation has clearly been very carefully planned, using the Kuwait Investment Office as a stalking The key to the attack is an

innocent-looking reference to

a scheme of arrangement which Warburg argues would allow the two classes of shares to be voted separately. On this basis a 75 per cent majority of "A" shares would give THF control of all the shares in this category: -representing 51.4 per cent of the total votes and effective con-THF is already within striking distance, with 49.5 per cent of the "A" shares committed to it by the Kuwaitis and Warburg, while the opposition can probably only count on 5 per cent at this stage. Meanwhile, rejection of the offer and a decision to fight through the courts is a high risk option for the board, since if it loses it could forfeit the hugh premium for the extra votes in the "B" shares. The market's view of the outcome is clear enough from the 40p rise in the price of the "A" shares to match the 165p

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top side of recent estimates. The pre-tax total for the year is up by £13.1m to £70.3m, with roughly half the increase coming from acquisitions, and the dividend is higher than the indication given at the time of last September's £60m rights issue. Reported earnings per share are more than 30 per cent higher. and Shell show once again that Index rose 11.0 to 481.0 top side of recent estimates. The

cent higher. · The key is strong growth in Australia and in the paper and valve businesses in the U.S. UK profits are sharply lower in real terms, and BTR has reacted with characteristic aggression: its UK workforce has been cur by a quarter. The divisional split has been restated to show profits before interest, which has the incidental effect of making the international business loom larger (it carries mest of the debt). On this basis, roughly half BTR's profits now

With a full year's benefits for the latest U.S. acquisition and rights, issue, pre-fax profits in 1981 should exceed \$80m. And there is pleaty of room in the balance sheet for further acquisitions.

#### Monetary control

arrived in the City-under the-Bank of England's new proposals, toreign banks may become eligible acceptors of bills. As a condition of eligibility, though, all banks will be required to maintain large deposits with the discount houses. This will help the Bankin its open market operations, but it will also ensure that no cold wind blows down Lombard
Street: elsewhere, draught of pictures are being erected
round the gilt-edged jobbers,
and Stock Exchange money brokers. And the Old Lady nerself has made arrangements take in interest-free cash balances from all banks on the

#meeting

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Er crisis'

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